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Austria	12 S.	Lebanon	21.25
Belgium	20 S.	Luxembourg	20 S.
Denmark	250 D.M.	Norway	2.50 D.
France	18 F.	Netherlands	1.50 D.
Germany	2.50 D.M.	Portugal	3 D.
Greece	1.50 D.M.	Spain	1.70 S.P.
Great Britain	15 P.	Sweden	2.50 S.
India	20 R.	Switzerland	1.70 S.P.
Italy	250 L.	Turkey	3.00 S.
Japan	1.5 S.	U.S. Military (Mar.)	30.25
Korea	1.5 S.	Yugoslavia	2 S.

Palestinians Oversee Evacuation 270 Americans, Others Quit Lebanon on U.S. Navy Ship

From Wire Dispatches
BEIRUT, June 20.—A small U.S. Navy vessel evacuated about 270 U.S. citizens and other foreigners from Lebanon today in a swift, smooth operation guarded by Palestinian guerrillas.

A 115-by-34-foot landing craft received the passengers, their baggage and a few pets at a sea-side bathing club, then transported them to the Spiegel Grove for a 44-hour trip to Athens.

A British-organized road convoy to Damascus for Europeans and U.S. citizens was canceled yesterday morning when sporadic shelling and machine-gun duels broke out near the evacuation route it had planned to take.

Friday, a 13-vehicle British-organized convoy, which included a pickup truck carrying the bodies of the slain U.S. ambassador to Lebanon and his economic counselor, arrived safely in Damascus. Reports from the Syrian capital said the convoy has been caught in a cross fire.

The convoys-like journalists and other foreigners who still travel throughout Lebanon—depend largely on the goodwill of the many gunmen in Lebanon. U.S. citizens and Europeans for the most part have not been singled out as targets in the civil war, now in its 15th month.

Until the assassination of Ambassador Francis Meloy Jr. and counselor Robert Waring on Wednesday in Beirut, only one other U.S. citizen, a Lebanese-born dean at the American University, has been killed in the strife.

The bodies of Mr. Meloy and Mr. Waring arrived yesterday in Washington and were met by a 19-gun salute, and words of praise from President Ford and Secretary of State Henry Kissinger.

The President later stayed up until after 5 a.m. today to oversee the evacuation.

His press secretary, Ron Nessen, said Mr. Ford "was there to be ready to make whatever decision would have to be made if it did not go as smoothly as it did."

For some in Beirut the evacuation was a matter of convenience. A German stewardess called it her "vacation" and a Finnish girl left for two weeks to attend her mother's funeral.

Fewer than 10 per cent of the U.S. citizens here took advantage of today's evacuation.

The departure occurred during a period of relative calm in Beirut.

Beirut's airport has been closed for two weeks by Syrian occupation and fighting nearby. The land route to Damascus is, open but risky.

The flat-bottomed landing craft loaded for an hour.

Two of the dozen U.S. sailors aboard his the deck when three rifle shots were fired into the air by two nervous guerrillas trying to frighten away photographers.

The Spiegel Grove—a landing ship, dock—was about three miles off shore, obscured by haze but visible through binoculars. The Pentagon said it was unarmed and carried 150 marines.

An approximate count by U.S. consular officials said 116 U.S. citizens went aboard along with 65

Britons and persons of other nationalities, including Italians, Greeks, Africans and an Iraqi. Embassy estimates had showed that 1,350 U.S. citizens—many of them holding dual citizenship—and 750 non-American dependents were still living in Lebanon.

Meanwhile, 54 persons were killed and 84 were wounded by artillery and small-arms fire last night along the line dividing Beirut into Muslim and Christian areas, security officials and hospitals estimated.

They said 24 were killed and 64 wounded in shelling between Palestinians and Syrian forces on the southern edge of Beirut.

Arab-language newspapers played up President Ford's late-night vigil and high-level consultations over the safety of the U.S. citizens still in Lebanon. "Washington: Situation in Lebanon Very Grave," hammered the Beirut daily *Al Nahar*.

Newspapers here gave great emphasis to a reported statement

by Mr. Nessen recently that events "next week" would prove Mr. Ford's decisions were wise ones. It is commonly believed here that the U.S. government is an omniscient mastermind of events. Mr. Nessen's reported remark thus carried a foreboding, prophetic quality—even though Beirut remained relatively calm.

"Ford is playing with our lives," said a U.S. citizen who, like others here, believed that the President overestimated the evacuation for electoral reasons.

But in Beirut, there is also fear that, if full-scale fighting resumes, the Syrians might attempt to take the city by force.

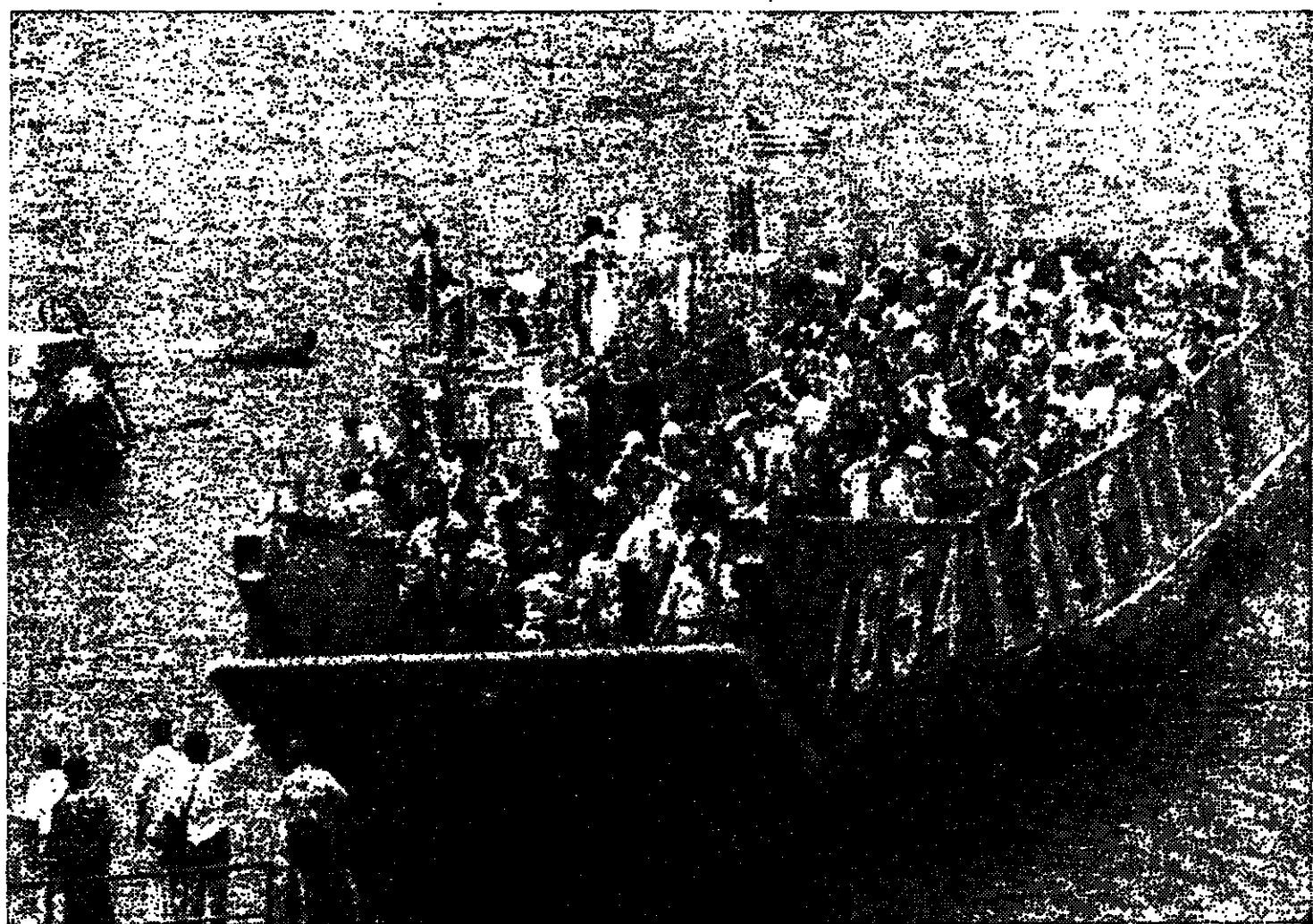
This anxiety is compounded by the much-publicized departure of foreigners.

In Damascus, meanwhile, Syrian President Hafez al-Assad conferred today with the Libyan Premier, Maj. Abdel Salam Jalloud, on developments in the Lebanese situation. Damascus radio said.

The radio said the talks dealt

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PULLING OUT OF LEBANON—U.S. Navy landing craft carrying foreign nationals leaves pier during evacuation.

After Visit by Rumsfeld

U.S. Is Weighing Big Increase in Weapons for Zaire Army

By Bernard Weinraub

KINSHASA, Zaire, June 20 (NYT).—Zaire, uneasy about Soviet and Cuban assistance in neighboring Angola, is due to receive a substantial increase of U.S. arms, according to Western diplomats.

Defense Secretary Donald Rumsfeld and his aides, who left Zaire Friday, are weighing an arms agreement involving anti-tank weapons, helicopters, communications equipment and personnel carriers as well as a major increase of training for the troubled 50,000-man Zairian Army, according to diplomats. They said that the specific requests are still under discussion.

Any U.S. military program exceeding \$25 million must have congressional approval.

Zaire officials, meeting Mr. Rumsfeld and high-level Pentagon officials, stressed that a "credible defense" was crucial for the country, which shares a 1,600-mile southern border with Angola.

Mr. Rumsfeld selected Zaire and Kenya for his four-day trip to Africa, the first visit by a U.S. defense secretary. The aim of the visit was discussion of expanded military aid to the two pro-Western African nations to meet growing Soviet influence in the region.

Soviet, Cuban Aid
Zaire and the United States are plainly uneasy about the flow of \$200 million to \$300 million in Soviet arms, including tanks and rockets, as well as the 15,000 to 14,000 Cuban troops that helped the Popular Movement for the Liberation of Angola to victory

over rival factions supported by the United States, France and Zaire.

It is known that Mr. Rumsfeld and senior defense officials are seeking to bolster assistance through grants and credits to the Zaire Army, which is hampered by a lack of ground and air mobility. Other military problems in the big south-central African nation include discipline and a steady but confusing array of weapons and equipment from North Korea, China, Belgium, France, Italy and the United States.

U.S. military assistance to Zaire in the past has totaled \$55 million, mostly used for communications and transportation equipment.

This year Zaire is receiving \$19 million in U.S. military credits, most of it earmarked for jeeps,

2 1/2-ton trucks, communications equipment and a C-130 cargo plane.

New assistance, in the aftermath of Mr. Rumsfeld's visit, will include more sophisticated weapons to meet what diplomats and Zairians term the psychological uncertainty and potential threat of border instability along the Angolan frontier.

Mr. Rumsfeld, who met President Mobutu Sese Seko for 90 minutes before leaving Africa, has agreed to supply Kenya with 12 F-5 jet fighters to match the Soviet MiG-21s flown by Somalia and Uganda.

Candidates Held
In Jamaica Under
Emergency Law

KINGSTON, Jamaica, June 20 (UPI).—A parliamentary candidate for the ruling People's National party was detained today under a state of emergency imposed yesterday to end political gang warfare that has cost more than 100 lives in the last six months.

Security forces jailed Edwin Singh, who had been designated by Prime Minister Michael Manley to contest the parliamentary seat held by former Prime Minister Hugh Shearer, former leader of the Jamaica Labor party.

Mr. Singh joined three JLP leaders, two of them also candidates for Parliament, who were apprehended by police last night in Montego Bay, where the JLP "shadow cabinet" was discussing election strategy. General elections have to be held before next spring but no date has been set.

Under the emergency decree, Internal Security Minister Keith Munn can authorize the indefinite detention of anyone considered dangerous to the public order.

Police and soldiers, joined by a 7,000-member volunteer vigilante force, had been unable to control armed rival gangs, operating principally in the overcrowded lower-class housing districts of Kingston.

Some of Soweto's Blacks Go In Fear of Rioting 'Brothers'

By John F. Burns

JOHANNESBURG, June 20 (NYT).—Moses Dineka, a quiet man who hates violence, was on the lookout for a weapon when he returned to Soweto Thursday night from his job in a Johannesburg restaurant.

"I must have a stick or something," Mr. Dineka said as he cleared a table in the coffee shop of the Carlton Hotel. "If I have nothing, they will say I am with the white man and they will kill me."

Mr. Dineka, 20, like many other residents of the riot-torn township, is more worried by gangs of marauding black youths than he is by the riot police who battled the youths continuously for three days last week.

Among the 220,000 Sowetans who commute to jobs in Johannesburg every day, there is deep bitterness about apartheid and a sense that last week's explosion was perhaps inevitable.

But there is also a strong feeling that the rioters, however suc-

cessful they may have been in attracting world attention to the injustices of apartheid, have done far more harm to the black community than to the country's white rulers.

"They are destroying our clinics, our banks, our stores, even some of our homes," said Sarah Mubeko, a domestic helper who sat knitting a choirboy's shawl as she waited for her bus home to Soweto.

"And who are they killing?" she said. "Not the white man, who they say is the enemy. They are killing their own brothers and sisters."

The complaint is supported by statistics. Of the dozens dead and hundreds injured, only a handful, including two of the dead, were white.

Official accounts, corroborated by the few reporters who have been inside the sprawling township since it was sealed off after the first volley of gunfire, sug-

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NG IN ITALY—Communist party leader Enrico Berlinguer casts ballot in Rome.

Parliamentary Results Expected Tonight Italy Begins Voting; Turnout Light

By Alvin Shuster

ROME, June 20 (NYT).—Millions of Italians began voting today in a crucial two-day election to elect the Italian Parliament.

The election will decide whether the Communists will yield the Communist share of power in this Atlantic Treaty nation.

Stilly to the Alps, voters must decide whether to elect the Communists into government or back the Christian Democrats and other parties. It is the most important election here since the Christian Democrats emerged with victory to their domination of Italian

turnout today was reportedly light in generally ideal

make in the voting, which will continue tomorrow, are 530 the Chamber of Deputies, 193 in the Senate, local

and Genoa, and regional in Sicily.

Intense Interest
More than 40 million, those over, are eligible to vote today. About 35 million are eligible for the Senate, those 25 and over. And about 15 million are eligible for a Chamber of Deputies.

Results, which will be announced tomorrow night, will be with intense interest by the West. President Ford, Secretary of State Henry Kissinger and other officials have warned against

the Communist role in the election. They said that the election would be a referendum on the Communist role in the North Atlantic

ever the outcome of the vote, it could take the shape of the new government becomes clear. With that parties in the field, whether the Communists or Christian Democrats able to an absolute majority, a

long period of political bargaining is expected to follow.

In the national voting, the Christians are picking a Parliament, not a government. It will then be up to President Giovanni Leone to find a premier acceptable to the Parliament and ask him to try to form a government.

The uncertainty that has prevailed in Italy, therefore, will continue for weeks. The prediction of most of the experts is that the race between the two largest parties, the Communists and the Christian Democrats, will be close.

If the Communists overtake the Christian Democrats and become the largest party, a role in the Cabinet would appear to be assured. Their official stand in the election campaign has been to stress the need for a government of national unity, including

all parties, except the neo-Fascists. The hope of the beleaguered Christian Democrats is to retain a lead, however slight, over the Communists. In the regional and local voting last year, the Communists came within two percentage points of the Christian Democrats.

With even a slight margin of victory the Christian Democrats would try to form a coalition with other parties in hopes of keeping the Communists outside the Cabinet. The key will be the Socialists, whose bloc of votes will be vital in determining the shape of the next administration. The Socialists, who are often unpredictable, have been elusive on their intentions. They brought down the last government, a one-party minority cabinet of Christian Democrats, and forced the elections a year ahead of schedule.

As Ministers Meet Today

OECD Economists Proposing Slower but Smoother Growth

By Carl Gewirtz

PARIS, June 20 (NYT).—The leading industrialized nations of the non-Communist world are expected this week to approve a fundamental shift in their individual and collective economic policy objectives.

To be scuttled is the postwar target of highest sustainable economic growth and employment. This will be replaced by a policy of slower, smoother growth than in the past, accompanied by considerably more unemployment than had been considered acceptable.

Approval of the new strategy will be sought at the annual ministerial meeting of the 24-nation Organization for Economic Cooperation and Development. The two-day parley opens here

tomorrow with foreign affairs ministers and treasury secretaries heading the national delegations.

Approval of the new strategy was included on the meeting's agenda after preliminary discussions among technical experts from the member states encouraged the OECD secretariat. They believe there is sufficient consensus to approve it despite the highly charged political implications in what is a very political atmosphere: The United States and West Germany are holding national elections this year and the campaign for France's 1978 legislative elections is already under way.

While unemployment has decreased in all countries from the 1978 legislative elections is already under way.

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Black Areas of South Africa Main Quiet for Second Day

From Wire Dispatches

ANNENBURG, June 20.—Africa enjoyed its second almost complete calm today after the worst racial con-

dition in the nation's history. Riot-ravaged townships quiet, although heavily black and white police

ed on alert for any fresh outbreak of violence.

bloody cold—that's the thing here this morning," police spokesman in Johannesburg said. "The scene of the worst rioting, authorities have not received official casualty figures Friday. But unofficial estimates put the death toll at more than 100 and the number of injured at more than 1,000.

destruction early today of a recreation hall at Hebron, of Pretoria, was the first of arson in the area of

the capital. The Sepho Temba secondary school near Sebokeng, west of Johannesburg, was seriously damaged late last night.

Ignoring a plea from the South African Council of Churches that he remain in the country to take charge of the process of reconciliation, Prime Minister John Vorster left the country late yesterday for West Germany, where he will begin two days of talks with Secretary of State Henry Kissinger Wednesday.

In an airport interview in Johannesburg before leaving, Mr. Vorster said his meeting with Mr. Kissinger was "a very important one in which I hope to be able to put South Africa's case at the highest level." He made no mention of the riots but said the meeting reflected a recognition of the role South Africa "plays and can play in southern Africa."

At the United Nations, the Security Council debated a resolution to condemn the Pretoria government's use of force. South

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SOUTH AFRICAN ARRIVES IN BONN—Prime Minister and Mrs. John Vorster yesterday. The Prime Minister and Secretary of State Henry Kissinger will meet later this week.

New Law Is Opposed

Spain Socialist Front Spurns Political Ban on Communists

MADRID, June 20 (UPI)—In a blow to the government's middle-of-the-road political reform plan which excludes Communists, the Federation of Socialist parties today rejected participation in a new political association law.

The rejection occurred at the end of a two-day constitutional congress of 600 delegates from 11 regional Socialist parties that make up the federation.

They adopted a platform calling for a "democratic alternative" negotiated by a united opposition and backed by popular demonstrations. Other speakers from the Communist party, the Marxist Spanish Labor party and leftist Christian Democrats lent their support.

So far the government has officially rejected such demands and stuck to the step-by-step democratization plan. It also faces serious opposition from old-guard Franco supporters and Falangists on the right.

Law Called Restrictive

Much of the opposition to the recently approved plan argues that it is too restrictive and will ban the Communist party.

The law does not take effect until July 6 and parties which want to be recognized must register by then.

OECD Staff Asks Slower Growth Rate

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postwar highs of last winter, the number of jobless workers is still well above previous norms.

The OECD is not asking its members to abandon the goal of full employment but rather to subordinate it to a policy of sustainable, non-inflationary growth.

Such a policy, the secretariat theorizes, will do more to maximize employment in the decades ahead than if short-term immediate gains are sought now.

OECD economists are convinced that any recovery now that is capable of taking up the existing "slack" is doomed to re-ignite unsustainable rates of inflation and to end in a new economic bust.

The new strategy, secretariat officials acknowledge, "is not a politically attractive policy. It could be a liability," they concede, "but the more the public is convinced that this is policy, the better the chances to succeed."

These experts contend that in many countries new investment has been lagging and that there is no physical capacity to return to full employment. "The key condition to eliminate bottlenecks and increase capacity is to increase investment," they say, and to achieve this, business confidence in the profitability of new investments has to be restored.

Tax incentives and other "stimuli" to induce such spending "just don't work," they add.

Pressure on Prices

The recovery already under way is worrisome, the OECD says. Inflation in all countries, while below the recent highs, is still above what has been considered normal and, as the recovery picks up speed, the pressure on prices can only mount. In addition, the phenomenon that made the last boom and bust so excessive continues to haunt planners. This is the fact that the business cycle of the major industrialized nations is asynchronized: All are bidding for resources at virtually the same time (or are not bidding, as was recently the case).

The OECD, however, is optimistic that a controlled recovery can take place, provided governments coordinate policy and maintain growth levels only slightly over their long-term historic average. For the OECD area as a whole, this average is 2.5 per cent, and the secretariat would like to see this year's growth at only slightly over that, rather than the 7 to 8 per cent of the 1973 boom.

The ministers also are expected to approve a code of conduct for multinational companies running from general ethics to disclosure of corporate information, labor policy, finance and taxation.

Also on the agenda is a renewal for a third year of the trade pledge not to take restrictive measures and a decision on the responsibility of the industrialized states to developing countries and how policy can be oriented to aid their growth.

Paris Match Is Sold

PARIS, June 20 (Reuters)—The weekly magazine Paris Match was sold last week to the Librairie Hachette group by publisher Jean Prouvost. No sum was disclosed.

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Mrs. Robert Waring, widow of the slain U.S. economic counselor in Beirut, is presented the flag that covered her husband's coffin by President Ford at Andrews Air Force Base.

Palestinians Oversee Evacuation

U.S. Ship Takes Out 270 Americans, Others

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with "constant Arab attempts to solve the Lebanese crisis."

Maj. Jalloud has been shuttling between Beirut and Damascus for the last 10 days in an attempt to mediate in the conflict between Syria and the Palestinian-Lebanese leftist factions.

Possible was the second news magazine to fall victim to official anger this month. The government recently threatened to suspend for four months the weekly *Cambio* 16 for showing a cartoon of King Juan Carlos dancing on the skyscrapers of New York.

Meanwhile, in Barcelona more than 13,000 persons demonstrated yesterday for amnesty for political prisoners and exiles.

Peace Talks Sought

PARIS, June 20 (NYT)—French and Syrian leaders agreed yesterday on the need to organize peace negotiations, probably in Paris, to reconcile warring factions and work toward a political settlement in Lebanon.

But President Assad said that only the Lebanese parties themselves should be invited and that since Palestinians were "not involved in the Lebanese problem," they should be excluded.

Mr. Assad spoke to newsmen before returning to Damascus after an official visit with President Valéry Giscard d'Estaing.

Exclusion of the Palestinians, who have been allied with Moslem leftists against rightist Christian factions in the Lebanese civil war, made it uncertain whether the Paris round table discussion, first proposed by Mr. Giscard d'Estaing, would be agreeable to all sides.

A statement "confirmed the French offer of facilitating the organization of a round table (conference) among the diverse components of the Lebanese people," phrasing that seemed to endorse the Syrian view of barring the Palestinians.

The statement touched on military issues with extreme care, indicating some differences between France and Syria.

The French President, the statement said, "took note" of the Syrian attitude and "warmly esteemed" Syria's goal of re-establishing order in Lebanon.

Nothing was said in the statement of France's offer to send a peace-keeping force to Lebanon provided all parties in the conflict agreed.

According to reports from Beirut, both the rightist and leftist leaders in Lebanon have called on France to send troops.

But Mr. Assad indicated during his visit here that he was opposed to any French intervention. He said the problems of Lebanon could be dealt with by the Arabs themselves.

'Operation Fluid Drive'

Ford Monitors Evacuation in All-Night Vigil With Top Aides

By Austin Scott

WASHINGTON, June 20 (WP).—The successful evacuation in Lebanon today was monitored closely in an all-night vigil by President Ford, Defense Secretary Donald Rumsfeld and a number of other top Defense Department officials.

The drama began shortly after the President returned yesterday from nearby Andrews Air Force Base, where he met the plane carrying the bodies and the families of Ambassador Francis Meloy Jr. and his economic aide, Robert Waring, who were kidnapped and murdered last week in Beirut.

President Ford's helicopter touched down on the White House lawn at 5:05 last evening.

He went to his Oval Office where he was informed that, for the second time in two days, a land evacuation of Americans would have to be postponed.

Mr. Ford had already huddled twice yesterday with his top defense and foreign policy advisers to discuss the evacuation. And now, from his Oval Office desk, he reached for the telephone to consult with them again. He would not get to bed until after 5 a.m.

Talks to Kissinger

The President talked with Secretary of State Henry Kissinger, Deputy Defense Secretary William Clements Jr., the Joint Chiefs of Staff chairman, Gen. George Brown, and national security adviser Brent Scowcroft.

Then, White House officials said, after "careful consideration of the alternatives," including a possible helicopter evacuation, and

after the Palestine Liberation Organization guaranteed the safety of the evacuees, Mr. Ford decided on a sea evacuation.

It was code named "Operation Fluid Drive."

The President's decision set in motion a chain of events that ended in the safe and relatively uneventful removal of 270 persons from Beirut while U.S. pilots walked on "shore alert" in Navy jets on carriers in international waters off the Lebanese coast.

Every facet of the evacuation was planned in thousands of miles away in the White House and the National Military Command Center in the Pentagon.

Associated Press military writer Fred Hoffman noted that "rarely, if ever, in American history has so much high brass supervised so tiny a naval operation. The mission of a single small Navy craft to pick up a few hundred Americans and other evacuees... was monitored every step of the way by enough rank at the Pentagon to run a major invasion."

According to a variety of White House, Defense Department and State Department officials, the seven-hour interval between President Ford's decision to try a sea evacuation and the time the operation began was used to get ships in position, tie up as many potential loose ends as possible.

At 1:23 a.m. Washington time (8:23 a.m. Beirut time), an order went from the National Military Command Center to the Sixth Fleet to begin the evacuation.

Secure Telephone Lines

Mr. Rumsfeld sat at one position in front of a large console containing the secure telephone lines that were used to stay in constant contact with the Sixth Fleet, and in frequent contact with the White House. Gen. Brown and Mr. Clements sat on either side of him.

In front of them were six large projection screens rising from the floor to near the ceiling of the two-story room. As the night wore on, a variety of maps and photographs of Beirut and the area of the evacuation and reports were projected on the screens.

Vice-Adm. Harry Train, director of the Joint Chiefs staff, stayed constantly on the telephone to the Sixth Fleet. Mr. Rumsfeld was on the phone about half the time, alternately listening to progress reports coming in, asking questions and talking to both the President and Mr. Scowcroft in the White House.

3 Direct Orders

Officials said three direct orders were sent from the command center to the Sixth Fleet: one starting the evacuation, one cautioning the Navy to make sure all evacuees had been taken from the beach and one ending the evacuation.

But in between, according to an observer, those in the command center "asked a lot of questions, a lot of questions."

President Ford spent the night both in the Oval Office and in the National Security Council's "situation room" on the ground floor of the White House, which is staffed 24 hours a day by NSC aides.

At 4:42 a.m. Washington time, the LCC headed out to sea with the evacuees, arriving at its mother ship at 5:13 a.m.

All 13 Defendants Apologize for Role in War

5 Angola Judges Weigh Mercenaries' Fate

By Marvin Howe

LUANDA, Angola, June 20.—Thirteen mercenaries told the Angola People's Revolutionary Court yesterday that they are sorry for their actions in this country.

To a man, the defendants, who face the death penalty, acknowledged their guilt as mercenaries during Angola's civil war. But most of them denied committing any crimes and pleaded for clemency.

Only one man, the group's leader, Costas Georgiou, 26, known as Col. Callan, admitted to murder and did not ask for mercy.

But in his long, incoherent and often repetitive statements, the Cyprus-born former British paratrooper gave signs of being mentally sick and he may have won a reprieve from the death sentence.

'Difficult Case'

"This had been a very long case, a difficult case in facts and law," presiding Judge Ernesto Teixeira da Silva declared yesterday after the defendants had made their final statements. The verdicts and sentences will be announced in the middle of the coming week, he said.

The five Angolan judges are now faced with the choice of accepting the state prosecutor's demand for "revolutionary justice" or heeding principles of international law.

The prosecution has asked for death sentences for all 13 mercenaries to serve as a lesson to other men who may be planning to come to southern Africa, particularly Rhodesia, as mercenaries.

If the judges took into consideration the Geneva Convention, the defendants would be treated as prisoners of war and those who are not found guilty of other crimes would be repatriated.

This has been a political trial, although legal procedures have been scrupulously observed. The judges are militants of the ruling Popular Movement for the Liberation of Angola and the law under which the defendants are being tried is a revolutionary law.

No Appeal Allowed

Court observers expressed satisfaction at the fact that the judges were taking several days before giving a final verdict. There is no appeal from sentences but the President of Angola has the power to commute them.

During the nine-day trial, only Col. Callan has confessed to committing any crimes. Earlier he refused to answer questions but he had murdered one of his own men and ordered the execution of 13 others because they had mistakenly fired a rocket at one of their own vehicles.

During his disjointed final statement, which lasted 20 minutes, he also admitted to killing two civilians—one he had believed to be an enemy soldier.

Indications of Mercy

LUANDA, Angola, June 20 (Reuters).—Signs that Angola might not execute all 13 mercenaries are emerging in the government-controlled press.

The Diario de Luanda commented last night that both prosecution and defense broadly agreed that the mercenaries "were victims, up to a certain point, of the class structure of capitalist society."

It also spelled out for its readers the argument of U.S. defense lawyer Robert Casper that, as the mercenaries were being tried under Angola's Code of the Combatant, they rate as prisoners of war under the Geneva Convention.

The Ohio lawyer's defense, it added, "re-established the equilibrium."

A Rare Occurrence

In Brazil, a Rich Woman's Trial Is TV Event

RECIFE, Brazil, June 20 (WP).—In this city of 1.3 million inhabitants on Brazil's northeastern tip, television viewers recently switched on a mass from the popular network soap operas on Channel 13 to watch an unusual local program on normally low-rated Channel 2.

On the screen, live, was a society figure, Maria da Conceicao de Andrade Lima (or "Winca," as the country club set here calls her) being convicted of the murder of her husband, a wealthy sugar plantation owner and business executive.

After a mob of spectators almost broke down the courtroom door to get seats for the trial, the judge allowed the proceedings to be shown on television.

The reason for the fervor over the trial was that it is rare that rich persons are brought to justice in Brazil.

The law in this South American country of 110 million is supposed to apply equally to all, but—as in many countries with the right of judicial appeal—wealthy defendants in criminal cases often are able to delay and maneuver for years to avoid going on trial.

Confessions to Order

However, Brazilian criminal suspects who are poor and not well known often have "confessions" beaten out of them in back rooms of police stations, long before even being formally accused of any crime.

The Ninon case was typical of how a wealthy suspect in Brazil can use legal resources.

Newton Guerra de Andrade Lima was stabbed and beaten to death in 1973. Mrs. Andrade Lima claimed at the time that mysterious, hooded assassins had invaded the family home and killed her husband. The police, however, regarded her as a suspect because of the victim's known extramarital liaisons.

Mrs. Andrade Lima's lawyers countered by going to the Pernambuco State Supreme Court, where they won a dismissal of all murder accusations against her. Then the prosecution appealed and the matter went to the Brazilian Supreme Court, which ultimately reversed the lower court ruling and ordered

This morning's edition of the *Jornal da Angola* commented that defense lawyer Carlos Macedo had pointed to the irony that it was Angola's "destiny to judge individuals who would be our natural allies in their countries, being the exploited people that they are."

"They are colonized peoples who do not have the class consciousness to unite efforts and create

the conditions for revolution a liberation from the exploitation which they suffer," the paper added.

It said that the people of the United States and Britain "are certainly with us" in their condemnation of mercenary activity. Nine of the men on trial are British, two are American, one is Irish and one is Argentinean.

Some of Soweto's Blacks Go In Fear of Rioting 'Brothers'

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get that many of the casualties died at the hands of the rioters. Police commanders say that the riot squads, dressed in military combat gear, need tear gas before resorting to gunfire in their attempts to deter stone-throwing, looting and arson.

Some witnesses, disputing this claim, speak of improvised fire on groups of unarmed youths. At least 100 of the casualties have been hit by bullets from Sten gun and revolver fire.

Nonetheless, spokesmen at the Baragwanath General Hospital in Soweto, where most of the dead and injured have been taken, say that many of them have had injuries that could only have been caused by rioters.

Hoofbeats Element

Cuts from broken bottles, skull fractures from wooden clubs and deep gashes from pangas, or knives, have been cited by the police as evidence of the hoofbeats element that they maintain is in control.

Mr. Dineka, for one, would not disagree. On leaving the train on the second night of the riot and entering the badly lit streets on the outskirts of Soweto, he was confronted by a gang of angry and drunken *tsotsis*, or thugs.

"I clenched my fist like this," he said, looking around anxiously in the restaurant as he did a brief imitation of the black-

power salute. "But they said I was not enough; I must fight because we are brothers."

Mr. Dineka said he picked up a stick and followed the youths across a dusty outcrop toward an area where the police were massed in "hippos," the hump-backed armored vehicles manufactured here.

Throwing Stones

"When we came to the corner the *tsotsis* started throwing stones," Mr. Dineka recalled. "The police opened fire but I ran away. I was so frightened I spent the night in a burned-out house and walked back to the station in the morning."

Train service to the outskirts of the townships has continued with a brief interruption—since the first shots were fired on Wednesday but the streets of Johannesburg have been busy at dusk with Sowetans thumbing lifts, afraid of *tsotsis* trouble on the trains.

Like Mr. Dineka, many blacks, at least among those in the city, doubt that the shock effect of the rioting will persuade the government of Prime Minister John Vorster to abandon or substantially ease apartheid.

"What did they do after Sharpeville?" Mrs. Mankoso asked, referring to the incident in 1960 when policemen firing on rioters killed 72 and injured 182. "They were harder then and they will be harder now. It doesn't do any good to go on killing and looting."

Black Areas of South Africa Remain Quiet for Second Day

(Continued from Page 1)

Africa said it would not permit any international body to prescribe how it should deal with its people.

Later in the day, the Security Council adopted the resolution unanimously. In addition to strongly condemning the South African government for its resort to "massive violence," the resolution called on the Pretoria government to "take urgent steps" to eliminate its system of apartheid.

Violent Clashes

The possibility that the toll would go substantially higher was indicated by eyewitness reports from the scene of some of the most violent confrontations in the last hours of the fighting. Reports from Alexandra, one of the poorest of the black townships, spoke of at least 34 dead and dozens of injured Friday night, when the police opened fire on numerous occasions.

Police spokesmen said they were far from open fire to prevent widespread arson and looting but black community leaders, while acknowledging that much of the trouble was caused by rampaging *tsotsis*, said the degree of force used had been excessive.

The white community in Johannesburg was shocked by the morning newspapers, which were

filled with color photographs of the dead and dying. A front page picture in the *London Daily Mail* showed a black girl, apparently no more than 12, lying dead in a dusty Alexandra street. A caption said she had been shot by the police.

Talks With Blacks

Meanwhile, after concentrating for 72 hours on its efforts to quell the rioting, the government held its first round of high-level talks with black leaders from Soweto. The township representatives emerged from a meeting with the minister of Bantu administration and development, M.C. Botha, with a joint statement appealing to all residents of the townships for calm.

South Africa's Sunday newspapers attacked the government for its policy on insisting that 50 per cent of school subjects be taught in Afrikaans—the issue that ignited the rioting. South Africa's blacks regard Afrikaans as a symbol of white rule.

The Afrikaans-language paper *Rapport* said in an editorial that Afrikaans instruction should be suspended.

It is time to show that we [the Afrikaners] are not as ruthless as people think that we are. We can still see the other man's point of view," it said. "Let us not have blood on our language."

What Breeds Frustration?

The *Koel Sunday Times* said: "Good could still flow from catastrophe if it causes the authorities to examine the things behind the weekend's violence. When the smoke has cleared we should see what breeds frustration—and worse."

"Housing problems, inadequate transport, crowded schools, inhuman bureaucracy, a feeling of powerlessness... These are the grievances that shake Soweto like a time bomb."

Meanwhile, police Minister James Kruger said in an interview, published today, that police had rejected the use of rubber bullets in the rioting and had been unable to use water cannon because pressures were too low at water points.

Police went into the question of using rubber bullets but felt that would be people's tears to the gun," he told the *Sunday Times*.

Mr. Kruger said he had been expecting an outbreak of violence for some time and suspected the riots were organized. He said a certain section of the black community was seeking a confrontation with whites.

He also said he was aware of underground agitators in South Africa and alleged that they were linked with Communist movements in London and elsewhere abroad.

Infiltrator Is Killed By South Koreans

SEOUL, June 20 (UPI)—South Korean soldiers killed an armed North Korean infiltrator yesterday in an exchange of fire on the eastern border.

An announcement today said the infiltrator was killed just south of the southern boundary of the 2 1/2-mile-wide Demilitarized Zone near Chorwon, about 50 miles northeast of Seoul. It was the first armed clash reported this year along the 15-mile border.

10. The voices of children.

(A good reason to call home.)

"An international call is the next best thing to being there."

مكذمان النحل

aided by Africa Lobby in Congress

Ford Seen Winning Campaign for Arms Aid to Mozambique

By Fred Farris

WASHINGTON, June 20 (UPI).—As a result of subtle and complex maneuvering, the Ford administration is expected to be authorized by Congress to funnel millions of dollars in military aid to Mozambique, as promised by Secretary of State Henry Kissinger.

U.S. Places Spaceship in Mars Orbit

By Thomas O'Toole

ASADENA, Calif., June 20 (UPI).—A Viking spacecraft went into orbit around the planet Mars today in the most ambitious planetary mission ever undertaken by the United States.

The 4-ton unmanned Viking, the largest, most expensive and most intricate machine ever flown around another planet, dropped into orbit around Mars at the end of a 130-million mile voyage that began at Cape Canaveral, Fla., 11 months ago.

The precision of this flight can be judged by the fact that the Viking is within 100 miles of the northern of the planet. Flight direction was planned three years ago.

S. Units Yield Last Two Bases to Thai Regime

BANGKOK, June 20 (UPI).—United States today handed its last two bases in Thailand to the Thai government, ending a decade of military presence in the Southeast Asian mainland.

Boatmen Freed by E. Germany

ERLIN, June 20 (Reuters).—Germany has released the crew of a West German boat which violated East German territorial waters Thursday.

Secretary Kissinger had pledged the money in advance of congressional sanction, a House-Senate conference committee knocked out amendments written in both houses to bar the funds.

The Senate is scheduled to take up the compromise aid bill Tuesday. The House also is expected to consider it this week.

Sen. James Allen, D-Ala., whose threat to block the aid bill by a filibuster caused the Senate to bar aid for Mozambique in its bill, admitted that he was outgunned after the conference session.

"I recognize my view is a minority view in the Senate," he said. "I think there is little chance of the conference report not being approved."

"But I feel that psychologically we have won a battle, by wiping out any reference to [Secretary] Kissinger's commitment in his Lusaka [Zambia] speech on April 27."

Sen. Allen said he might offer new opposition to the Mozambique money when it comes up in appropriations bill later.

"I'm reserving my options," he said.

Another attempt to keep funds in the aid bill from going to Mozambique, which is aiding black nationalist guerrillas fighting the white government of Rhodesia, is probable in the House.

But in any event, the administration has about \$30 million left over from a previous development aid bill and, if it is determined to give funds to Mozambique, it could use those funds unless Congress specifically forbade the allocations.

Secretary Kissinger pledged in Lusaka in April that the United States would provide \$125 million to Mozambique to make up for losses suffered as a result of implementing the UN's economic boycott of Rhodesia. The aid bill's backers sought that sum plus \$275 million each for Zaire and Zambia for the same reason.

Missionary Held
Mozambique, however, is holding a U.S. missionary, the Rev. Armand Doll, and this has stirred Capitol Hill anger and resistance to giving U.S. money to that government. Funds for Zaire and Zambia were approved by name but the compromise bill provides up to \$30 million for "other" African countries hurt by the effects of the Rhodesia boycott, without specifying Mozambique as one of those. This was a kind of end-run to avoid inflaming the anti-Mozambique forces, although the lawmakers did put language into the conference report designed to obtain Mr. Doll's release.

The majority heeded the State Department argument that making aid to Mozambique contingent on the missionary's release was, as one insider put it, "a pretty good way of insuring he would stay in jail a long time."

A key source in the Senate Foreign Relations Committee, which developed the aid measure, said the conference strategy was "every bit as much that of friends of Africa in Congress as it was the administration." It was a "complicated tactical maneuver," he said, to get around Sen. Allen's objections in the Senate and House efforts to sidetrack funds for Mozambique.

"Made the Point"
Sen. Allen said in an interview: "I'm not happy over what's been done but I think I've at least made the point that there is a day of opinion in the Senate that feels we are embarking on an unwise course... [This aid money] aligns us with those who would upset legitimate government by subversion."

Would he attempt another filibuster, he was asked.

"I'd block it if I could but I recognize I am in the minority, below the level of filibuster."

However, I do plan to comment on it when the report comes up on Tuesday," he said.

2d Drug Cache Found Aboard Colombia Ship

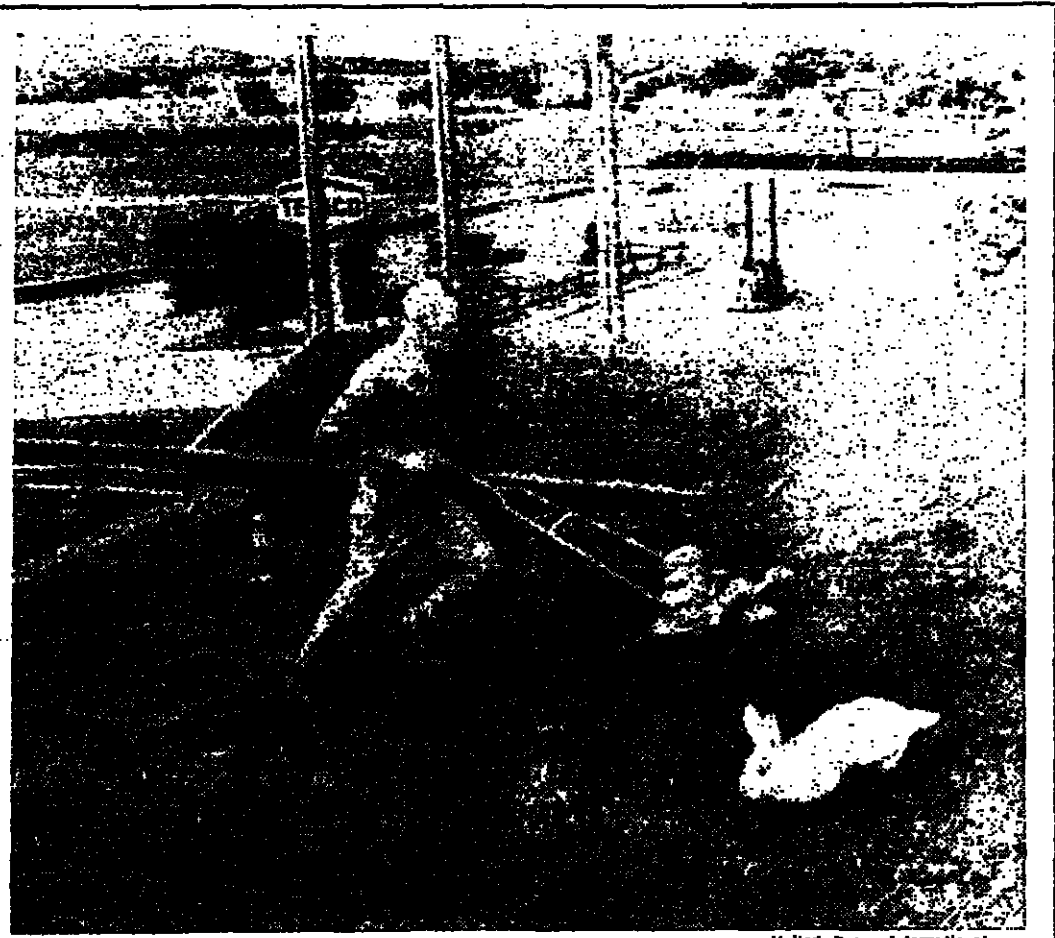
BOGOTA, June 20 (AP).—A newspaper has reported a second discovery of cocaine hidden on a Colombian naval training ship headed for the "Operation Sail" Bicentennial event on July 4 in New York.

The newspaper El Espectador said that 48 pounds of cocaine were found in the ship's food storage area as it headed for the parade of 325 ships from 30 nations in New York Harbor. Earlier this month, 13 pounds of cocaine were found on the same vessel as it approached Miami.

An officer and a sailor were sent back to Colombia and arrested.

Record Deep-Sea Dive

ABERDEEN, Scotland, June 20 (Reuters).—Two men in a diving bell have performed the deepest working dive in European waters, descending 933 feet to the bed of the North Sea from an offshore oil-drilling rig northwest of the Shetland Islands, according to a spokesman for the Royal Dutch/Shell group.



MOWING THE ROOF—John Shetwater, an employee of a gift shop (below) in Denver, Pa., attends to some elevated grass in the company of the store's pet.

Testimony on U.S., Soviet Vessels

Pentagon Misled Senate Unit on Submarines

By Leslie H. Gelb

WASHINGTON, June 20 (UPI).

The United States has built more nuclear-powered attack submarines than the Soviet Union in the last 10 years, although Defense Department testimony earlier this year left a contrary impression on the public record.

Rep. Les Aspin, D-Wis., using data that he obtained from the Pentagon, released figures yesterday showing that the United States outproduced the Soviet Union, 48 to 42, since 1966, and 20 to 17, from 1971 to last year.

The Soviet Union, however, still retains an overall lead in nuclear attack submarines at sea because of its production surge early in the last decade.

In testimony before congressional committees, Pentagon witnesses have portrayed growing Soviet superiority in the production of the nuclear-powered attack submarines by answering questions in terms of all Soviet nuclear-powered submarines. Thus, they tended to lump figures of Soviet nuclear attack submarines—designed to fire torpedoes and missiles like the U.S. Cruise rockets at other submarines and ships—with Soviet nuclear-powered strategic subma-

rines—built to launch ballistic missiles against land targets.

Thus, when Rear Adm. T.L. Malone told a House committee this year that the Soviet Union outbuilt the United States in "nuclear submarines" in 1974 by 10 to 3 and last year by 9 to 2, he failed to distinguish between the two kinds of submarines, according to administration officials.

However, only 3 of the 10 and only 2 of the 9 were nuclear-powered attack submarines.

Rep. Aspin also released information from the Pentagon that shows that intelligence estimates of Soviet attack-submarine building in the last few years have exaggerated Soviet production by about 300 per cent each year. The issues of accurate information and reliable projections go to the heart of the current, complicated debate on whether the Soviet Union is gaining naval superiority over the United States.

It has also become a presidential campaign issue, with former Gov. Ronald Reagan charging that President Ford has allowed the United States to become second best and with former Georgia Gov. Jimmy Carter indicating he would increase naval shipbuilding.

Rep. Aspin's information follows previously secret information released by Sen. Patrick Leahy, D-

Vt., that showed that, in the last 15 years, the United States has built twice as many large surface combat ships as the Soviet Union.

'Adverse Trends'
Sen. Leahy's information also ran counter to the picture being provided by top Pentagon officials of "adverse trends" in naval ship construction.

Defense Secretary Donald Rumsfeld presented congressional testimony charts showing that between 1966 and last year the Soviet Union produced 205 "major combatant" surface ships as against 165 by the United States. He kept classified, however, the information that most of these ships were under 3,000 tons, a size ship that the U.S. Navy has not favored for itself.

Only later did Sen. Leahy manage to have this information declassified.

Comparable information distinguishing between nuclear-powered attack submarines and ballistic missile submarines was also not given by the Pentagon to Congress. Only after the hearings conducted by congressional committees were completed did the Navy provide a breakdown on a classified basis.

The bulk of the Soviet facilities that produce nuclear-powered submarines have been devoted in recent years to the building of ballistic-missile submarines. Under the strategic arms agreement between the United States and the Soviet Union, Moscow is permitted to build up to 62 modern ballistic-missile-firing submarines and it has not yet reached that level.

According to information from Pentagon officials, the United States now has 65 nuclear-powered attack submarines compared with 80 for the Soviet Union. This is in addition to a declining Soviet fleet of about 180 diesel-powered submarines.

Attorney Bailey Seeks New Trial For Miss Hearst

SAN DIEGO, June 20 (AP).—Attorney F. Lee Bailey has said he will seek a new trial for newspaper heiress Patricia Hearst, convicted of helping the Symbionese Liberation Army rob a San Francisco bank.

Mr. Bailey said Friday in an interview with the San Diego Tribune that he would seek the new trial because of what he said was new evidence.

He also said that government prosecutors had withheld evidence that would have helped Miss Hearst. Mr. Bailey gave no details concerning the evidence.

He met for nearly two hours Friday with Miss Hearst, 22, at San Diego's Metropolitan Correctional Center, where she is undergoing a 90-day diagnostic study before sentencing.

Harris Trial to Start

LOS ANGELES, June 20 (AP).—More than two years after the SLA was shattered, two of its last survivors, William and Emily Harris, go on trial here tomorrow.

The Harris trial, said several SLA members, charged with kidnapping, robbery and assault in connection with violence on May 16-17, 1974, starting with a shooting incident at a sporting goods store.

Amid Pessimism, Ford Sends Turkish Accord to Congress

By Bernard Gwertzman

WASHINGTON, June 20 (UPI).

With little publicity and scant hopes of success, President Ford has formally asked Congress to approve a controversial agreement with Turkey that would allow the reopening of U.S. military installations there in return for \$1 billion in aid.

The accord was signed by the two governments March 26 but the White House waited until Wednesday before sending the agreement to Congress for approval. No attention was drawn to Mr. Ford's three-page message to Congress and most reporters did not know there had been one.

The reason for keeping the action quiet was that, after consultation with members of Congress, the administration decided there was no chance for the Turkish agreement to pass both houses in the near future.

In fact, many officials believe that an attempt to force a vote this year would lead to a rejection of the four-year pact and a worsening of Turkish-U.S. relations.

Listening Posts
At stake are 26 military installations, many of them electronic listening posts facing the Soviet Union, that were closed last summer by Turkey in retaliation for the refusal of Congress to lift an arms embargo. The embargo was instituted because of Turkish use of U.S. arms in its occupation of northern Cyprus. Last fall the administration was able to obtain a partial lifting of the embargo.

The Turks have threatened to close the bases permanently if Congress refuses to approve the accord that assures them of \$1 billion in grants and loans.

At the time Secretary of State Henry Kissinger and Foreign Minister Ismet Inönü signed the pact here in March, there were warnings of trouble on Capitol Hill.

The supporters of Greece in Congress strongly opposed the bill, not only because there was no linkage in it to any Turkish concessions on Cyprus, but also

because of the four-year aid commitment.

Usually, aid is approved for one or two years. A treaty with Spain, however, now about to be ratified by the Senate, provides for a five-year commitment and this was cited as a precedent by the administration.

The administration believed that the chances for approval of the Turkish agreement improved in April when Greece agreed in principle to a four-year accord on U.S. bases in return for \$700 million in aid.

Agreement Talks End

BERN, June 20 (Reuters).—Greek and Turkish negotiators made no apparent progress in two days of talks here toward settling their dispute about rights in the Aegean Sea, where oil has been struck.

A Turkish spokesman said after the negotiations ended today: "I do not think there was any progress. The negotiations could go on for two or three years."

In Athens, a joint communiqué said that Greece and Turkey have agreed to meet again soon to discuss their dispute about control of air space over the Aegean.

U.K. Bus Crash Kills 3 On Bicentennial Tour

GATWICK, England, June 20 (AP).—A bus carrying 17 Americans, two Britons and a Frenchman on a Bicentennial tour skidded off a rain-slick road and overturned in a ditch yesterday, killing three elderly U.S. women.

Two U.S. women and a U.S. male passenger were detained in a hospital with injuries. Most of the others were shaken up and some suffered cuts and bruises.

Challenger Closes Gap as Other States Vote

Ford Defeats Reagan Narrowly in Iowa

By R.W. Apple Jr.

DES MOINES, Iowa, June 20 (UPI).—President Ford escaped from the Iowa Republican Convention yesterday with a narrow victory over Ronald Reagan, capturing 19 of the state's delegates to the California's 17.

Strategists for the rival presidential candidates reached a series of early-morning agreements on the allocation of the delegates, averting the possibility of a fractious floor fight. The 2,495 delegates quietly ratified the agreements.

The virtual stalemate here allowed Mr. Reagan to close in on the President in their neck-and-neck pursuit of the nomination. Mr. Reagan generally had the best of it elsewhere as Republicans in Delaware, Texas, Colorado and Washington met to select delegates, bringing the day's total to 98.

Mr. Reagan won 3 delegates in Colorado's 2d District, embracing Denver's western suburbs and the college town of Boulder. He has swept the 6 delegates chosen in the two Colorado districts that have voted so far.

Texas, Washington
The conservative candidate, who won 86 delegates in the May 1 primary in Texas, was all but guaranteed the 4 at-large votes to be decided there. And at the Washington State Republican convention in Spokane, where he spoke yesterday, he was considered likely to gain 32 delegates, with 4 going to the President.

Mr. Ford took Delaware, benefiting from the solid support of state and county Republican organizations. Although the 17-member delegation elected at the convention in Dover was technically uncommitted, the President gained 13 delegates, with 4 uncommitted. An attempt to bind the delegates to Mr. Ford failed.

Assuming the anticipated results in Texas and Washington, the President's activity cut the President's lead over Mr. Reagan in the New York Times national delegate tabulation to a mere 66 delegates. With 1,139 needed

for nomination, Mr. Ford had 1,001. Mr. Reagan had 935 and 168 were uncommitted.

In Iowa, a bigger Ford victory was blocked when a member of the convention's powerful nominating committee, considered a Ford man by the President's managers, defected to Mr. Reagan.

Presidential aides welcomed the result as a sign that the slippage in Mr. Ford's standing, as shown by Mr. Reagan's near sweep in Missouri last weekend, was purely local, while conceding that they had expected to win 20 delegates here and had hoped for as many as 24.

The former California gover-

nor's aides were pleased that they had been able to make it close despite efforts in Mr. Ford's behalf by Gov. Robert Ray and other state party officials.

"It's in effect a tie," said John Sears, Mr. Reagan's national campaign director, "but one tie doesn't ruin a season. No one's hurt much; no one's helped much."

Iowa's state convention was the last in the post-primary series of 11 that was considered close. Mr. Reagan campaigned in Des Moines Friday night. The President, remaining in Washington because of the Lebanon crisis, sent his wife to plead his case.

Brown Ends Campaign, Says That He Could Support Carter

By Richard Bergholz

WASHINGTON, June 20.—California Gov. Edmund Brown Jr. has said he could enthusiastically support Jimmy Carter as the Democratic presidential nominee.

But Gov. Brown stopped short of saying he was ready to release his delegates and endorse the former Georgia governor.

It was Gov. Brown's way of bidding farewell to his own presidential campaign and he chose a luncheon speech at the National Press Club here on Friday for his valedictory.

"It is evident to me that Mr. Carter certainly appears to have the nomination well in hand," the governor said. "I recognize the numbers [in the delegate count]. I can count as well as read."

Nevertheless, Gov. Brown said, he intends to keep on speaking out on national political issues, although at a markedly reduced pace.

It was learned that he intends to authorize a "modest" convention-floor operation when the nominating session begins in New York City July 12.

He also plans to designate Los Angeles attorney Stephen Reinhardt as his—and California's—representative on the Convention Rules Committee to see that he has adequate exposure during the expected triumph by Mr. Carter.

Gov. Brown conferred with Sen. Edward Kennedy of Massachusetts and with AFL-CIO president George Meany Friday before returning to California. He said he wanted to inform both men of his political plans, specifically his desire to keep a high national profile on political matters.

Following a 15-minute session

with Gov. Brown, Sen. Kennedy said the governor had "filled me in on what he had said at the National Press Club and said he would stay in the race, but it would be lower key and he wanted to let me know that."

Sen. Kennedy said that he, like Gov. Brown, expects Mr. Carter to be the Democratic nominee and also could enthusiastically support the Georgian's candidacy. But he said he still does not plan to endorse any candidate before the convention.

Gov. Brown did not release the 295 convention delegates he has won and said he does not intend to release them. Nor was he effusive in his praise for Mr. Carter.

But he said for the first time that the former Georgia governor "has been fairly precise on a number of issues" and he emphasized that others, not he, have criticized Mr. Carter for being evasive on the issues.

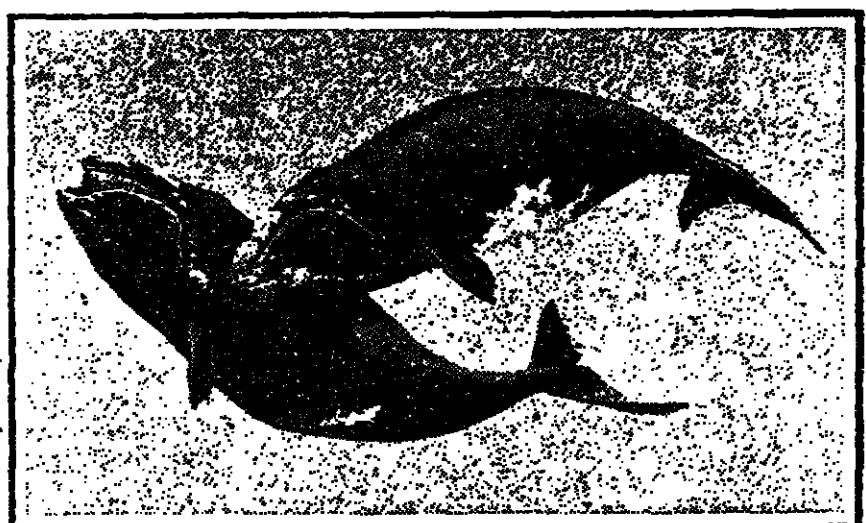
© Los Angeles Times.

American Party Announces Slate

SALT LAKE CITY, June 20 (AP).—A Florida tomato farmer, Rufus Shackelford, joined Tom Anderson of Tennessee on the American party's presidential ticket yesterday.

Mr. Anderson endorsed Mr. Shackelford as his vice-presidential running mate on the closing day of the party's third national nominating convention. In Washington, Frederick Douglass Kirkpatrick has been named as the presidential candidate of the National Black Political Assembly, which is not on the ballot in any state.

TODAY 100 WHALES WILL DIE



Night whales from 'Vanishing Giants'

Today may be the opening session of the International Whaling Commission in London, but it is just like every other day for the world's great whales, and before it ends 100 more will be killed.

Despite herculean efforts over the past few years to halt the slaughter, this season's quotas remain a staggering 32,578.

The citizens' boycott of Japanese and Russian goods can take credit for much of the protection gained so far, but further economic pressure is required if we are to continue to make progress.

You can help RARE help the whales by contributing to this campaign.

For a tax-deductible contribution of \$10.00 or more (or the equivalent in local currency), we will send you a copy of "Vanishing Giants," a beautifully illustrated booklet that describes the life, habits, and status of the world's whales.

Rare Animal Relief Effort, Inc.

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(a non-profit, volunteer organization devoted to endangered wildlife)

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EGNATIA - APPIA - POSEIDONIA

South Africa's Weakened Case

Prime Minister John Vorster of South Africa has left his shaken nation for West Germany, where he will present its case to Secretary of State Henry Kissinger. But that case has been greatly weakened by days of rioting and police action; indeed, the arguments for the meeting itself have been attacked in both South Africa and the United States.

A key element in the South African defense of its policy of apartheid and its relegation of blacks and coloreds to a status of, at best, tolerated aliens in their own country, has been that this is a matter purely domestic in nature. Roelof Botha, chief South African delegate to the United Nations, cited this in rebuttal to the Security Council's unanimous condemnation of the measures taken to suppress the rioting and its call for "urgent steps" to end apartheid. At the same time, Mr. Botha said the rioting had been stimulated by outside elements.

This last is probably true enough; after all, it was a Nigerian who led a demonstration in New York against Mr. Kissinger's meeting with Mr. Vorster. This was an injection of "outside elements" into an issue of U.S. policy, but the demonstration caused no trouble because, however Americans may object to Mr. Vorster's policies, there are not enough of them who object seriously to a rational discussion of the problem.

In Soweto, however, there are very many students who do not want to have to use Afrikaans in their schooling, since it is

neither their native tongue nor is it, like English, a language that has really wide use abroad. It is, in fact, a reminder of the keen nationalism of the Boers who presently dominate the nation's politics and of the hostility that once divided them so sharply from the British in South Africa. As either an international instrument or as a tool of national cultural unity, Afrikaans can play no useful role.

This seems to be recognized by the responsible elements in white South Africa and it is possible that the language issue can be papered over. But to the extent that the issue, and the rioting that erupted over it, represents the much deeper and broader questions of white supremacy in South Africa, it did afford ammunition for "outside agitators." South Africa is not an island—no nation is, as the British long ago discovered—and its relationship with the African continent is an essential aspect of its national existence.

Indeed, that, one assumes, is a major reason why Mr. Vorster is leaving a land which, as its citizens have been telling him, needs a directing hand in this crisis, to talk to Mr. Kissinger. And that is an equally good reason why Mr. Kissinger should tell Mr. Vorster that the United States wants change in South Africa to be peaceful—but accepts the fact that change must come, either peacefully or through even more costly explosions than that which ravaged the black townships, the ghettos of South Africa.

Decision in Italy...

Italy's long election campaign, scarred by scandal, assassination and a catastrophic earthquake, ended as it began; not one of the major participants has offered any fresh approaches to the staggering political and economic problems that beset the country. The most likely prospect after the votes have been counted in the balloting is for a continuation of muddle and compromise.

This may well be the outlook even if the election returns produce the development that seems to be causing more apprehension in the United States and other Western countries than it does in Italy: the emergence of the Communists as the leading party in place of the Christian Democrats, who have headed every Italian government for more than 30 years.

For the Communists to finish more than a few percentage points ahead of the

Catholic party would require a political earthquake greater in its proportions than the natural upheaval that claimed nearly a thousand lives in northeastern Italy last month. No one expects Communist gains on that scale, and most opinion polls show the Christian Democrats preserving the thin edge they maintained in regional elections a year ago.

Even if the Christian Democrats should trail narrowly, they would probably form the next government. They would not serve as a junior partner under a Communist premier, and an exclusively left-wing coalition of Communists and Socialists does not appear to be in the cards, at least for the near future. After the inevitable post-election negotiations, the most probable results are either a center-left coalition, excluding the Communists, or a minority Christian Democratic administration.

...the 'Red Scare'

Either formation would be sharply circumscribed in carrying out essential economic recovery and anti-inflation programs by the necessity to bid for Communist support or neutrality on key measures, as Italian governments have had to do informally for several years. The price for such Communist help is likely to go up in proportion to any Communist gains in the election.

Neither of the big parties nor the third-ranking Socialists have distinguished themselves in the drive for votes.

Paced by former Premier Amintore Fanfani, the Christian Democratic campaign has been mostly negative, based on "Red scare" tactics and even including repeated appeals to the political heirs of Benito Mussolini to desert the Neo-Fascists and support the Catholic party to save Italy from Communism.

The Communists have tried to enhance the image carefully cultivated in recent years of a party free of Soviet guidance that accepts parliamentary democracy, a pluralistic society, a mixed economy and Italy's commitments to NATO and the European Community. But the party remains authoritarian. Its moderate positions are muted in appeals to the party faithful and the mask occasionally slips, as it did when a Communist senator told a Times reporter that parliamentary democracy was necessary "in this transitional period of history."

Allegations that Foreign Minister Mariano Rumor and two former defense ministers accepted bribes totaling \$2 million from the Lockheed Aircraft Corp. have unquestionably damaged the Christian Democrats and their frequent coalition partner, the Social Democrats. For many Italians, the Lockheed case reinforces the general charge of corruption against a party long in power and this could conceivably tip the election balance toward the Communists.

The United States and its European partners have no rational choice but to abide by the election results and try to cooperate in the common interest with whatever government emerges. It always seemed unwise for Secretary of State Kissinger and other allied leaders to issue public warnings to the Italians against voting Communist. Even Christian Democrats who solicited such statements have evidently concluded that they were counterproductive.

The Italians need no outside help in recognizing the great risks involved for their 30-year-old democracy in voting the Communists into power. The hope must be that in this most critical election of the postwar period they will decide to give the embattled democratic parties another chance, and that these parties will somehow find fresh leadership toward national renewal without a desperate turn to totalitarian solutions.

THE NEW YORK TIMES

South Africa's Racial Violence

The South African white population have now to take stock anew of their government and the impasse, and the total isolation in the world, into which it has led them. Worse still, it is now a government that is trying to do something that is manifestly impossible as well as immoral. If this point sinks in, the lesson of Soweto may yet be learned by those who most need to learn it: the white South African electorate.

—From The Times (London).

The continued existence of the apartheid system is an affront to humanity. But what

has got to be faced is that this system is being maintained not only by arms from Britain and other capitalist countries, but in particular by the vast sums invested there by British and U.S. big business.

These big business firms are the guilty ones whose hands are covered with the blood of those who died in Soweto, those who die every day from starvation, those who are tortured to death in detention, those who die because of South Africa's illegal occupation of Namibia, and those who lost their lives in South Africa's abortive invasion of Angola.

—From The Morning Star (London).

In the International Edition

Seventy-Five Years Ago

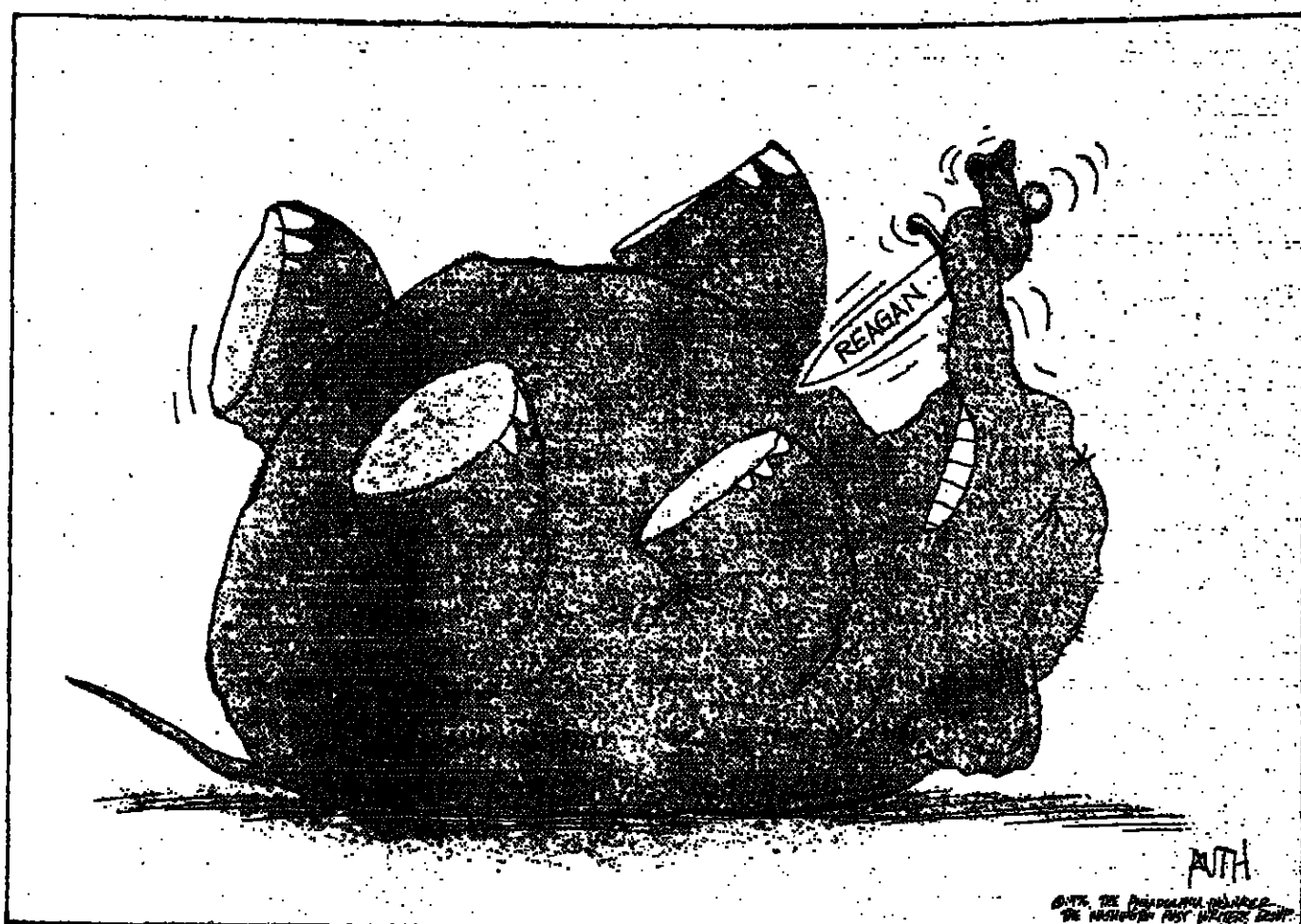
June 21, 1901

NEW YORK.—The German Emperor made another characteristic speech at Gumbinnen on Monday. He repeated his words about Germany's future being on the ocean. In another passage of his oration he rejoiced that men are going abroad from Hanseatic cities to seek spots wherein to drive nails on which Germany's armor can be hung up. He will learn, however, that they cannot be driven through the Monroe Doctrine.

Fifty Years Ago

June 21, 1926

CAMBRIDGE, MASS.—New hope appeared today for the lives of Nicola Sacco and Bartolomeo Vanzetti, alleged murderers of a Braintree, Mass., paymaster several years ago, with the revelation for the first time of a confession in connection with the case in 1925 by a Celestino Madeiros, twice convicted of bank robbery. The Sacco and Vanzetti case has been one of the most bitterly fought in the criminal history of the country.



The Concealed Truth About Helsinki

By Rowland Evans and Robert Novak

WASHINGTON.—While President Ford was publicly praising the humane impact of the Helsinki security accord, his own diplomats were secretly reporting systematic, blatant violations of it by the Soviet Union.

A confidential cable to Washington from the U.S. NATO mission in Brussels on April 26 disclosed that "there is no evidence that the Soviet Union has altered its basic, highly repressive approach to human rights" since the East-West agreement was signed in Helsinki last summer. Rather, the report charged, the Kremlin is conducting worldwide propaganda to disguise its refusal to live up to Helsinki. In short, Moscow is simply not liberalizing Eastern Europe in return for Western recognition of Communist-drawn borders.

In the two months since this message was received by the State Department, not one word of it has been publicly released. Rather, Secretary of State Henry Kissinger continues his overall defense strategy on Helsinki as on other questions: Use diplomacy to nudge the Kremlin to compliance rather than subject détente to strains caused by public accusations.

Mr. Ford and Mr. Kissinger have had little to say in public about the aftermath of Helsinki. A rare exception occurred April 2 when the President's campaigning took him before ethnic leaders in Milwaukee. Asked if the United States is getting the worst of negotiations with Moscow, Mr. Ford replied with an unqualified defense of Helsinki:

"The Helsinki conference was the greatest political liability, propaganda loss to the Soviet Union, period. The net result is that we have forced the Soviet Union... to give far more humane treatment—the getting together of families, the movement of press personnel back and forth across the borders."

Envoy's Report

The President's words are ignoring or was unaware of reality. His euphoria in Milwaukee was contradicted by the voluminous report from Brussels later that month signed by Robert Strauss, Hupé, U.S. ambassador to NATO. Its language about what Eastern Europe had done to implement the promises of Helsinki was unqualifiedly bleak: "The few minor procedural changes on human contacts and information have so far had only a very modest beneficial effect, and the general practice in these fields remains highly restrictive.... In the important fields of human contacts and information, these measures have been largely procedural in nature and their real significance is still unclear."

That does not mean the Kremlin is just forgetting about the

accord. Rather, the report said, Helsinki is "used as an instrument in pursuing such major Soviet goals as legitimization of the status quo in Europe.... Certain principles are stressed, especially inviolability of frontiers and noninterference in internal affairs, while others, such as respect for human rights, are ignored."

Caution Urged

Moreover, while Mr. Ford calls Helsinki a propaganda liability for the Russians, the Kremlin wages propaganda warfare. The Brussels report charged that Moscow is trying to "build up a plausible case for compliance with the overall accord" while diverting attention from the minimal nature of their concessions in the human rights field. They have "launched a considerable propaganda campaign which combines an overstatement of

their own implementation with strong counterattacks on the West for alleged noncompliance." The target: another East-West conference at Belgrade in 1977 which would climax the Communist propaganda campaign. This "diversion" of attention from the East's poor performance, the report said, shows "the need for considerable caution on the part of the West."

The specific charges reported to Washington reveal the sad truth of what has flowed from the Helsinki accord: inadequate notification and inspection of Warsaw Pact maneuvers, little progress on the economic negotiations stressed by the Kremlin, invariability of Western newspapers in Moscow, restrictions on Western journalists and attempts to limit Western radio broadcasts beamed at Eastern Europe.

Saddest of all is the pessimism of the Brussels report about

freedom of movement from the Soviet Union. "Indeed, the tightening of Soviet regulations on financial remittances from abroad could add to the difficulties of emigration," the report added. Nor has there been any increase in permitted travel from Eastern Europe since Helsinki, thanks to continued difficulty in getting passports.

This thick report updating the cynical Soviet outlook toward agreements is a classified document, not intended for public view. But that approach may soon change. On June 3, Mr. Ford, overruling State Department objections after intense pressure from conservative Republicans, signed into law a bill creating a 15-member commission to monitor adherence to the Helsinki agreement. "Quiet diplomacy" having failed to tame the Kremlin, the truth about Helsinki may now become common knowledge.

No More Chile Sauce Today

By C. L. Sulzberger

PARIS.—Until the collapse of Chilean President Salvador Allende's Popular Front in 1973, struggle by his own death in a struggle against the military putsch that displaced him, the massive Communist party in Italy always seemed to be working to gain power through a purely left-wing coalition. It favored a political dish of spaghetti with Chile sauce.

But the polarization produced in Chilean affairs by the Allende approach, and the resulting swing to the extreme right imposed by the reactionary dictatorship that followed, clearly had an effect in Rome. To avoid similar dangers of polarization, the Italian Communists, under their astute and effective leader, Enrico Berlinguer, developed a formula they called the "historical compromise."

This envisioned creation of a national government (not limited to the left) in which the Communists and their arch-opponents, the weary but still numerous Christian Democrats, would share authority—and also would share responsibility for the economic recovery of the country. "No democratic party would be excluded if they wished to join," Berlinguer told me. He added:

"There is a necessity for broad convergence to save the world from various possible catastrophes."

In a subsequent conversation, I asked Berlinguer if the emergence of a Communist partnership with Christian Democrats—let alone an idea—could be regarded as the ultimate logic implied by the "opening to the

left," a policy of cooperation with Socialists urged upon the then dominant Christian Democrats by their own liberal wing, and endorsed by Washington. After all, the Communists were further left than the Socialists, initial beneficiaries.

Spectrum Stressed

He did not accept this argument. Nevertheless, he stressed that his own party definitely hoped to avoid working only with other leftist groups. It preferred a broad spectrum of views at the top, including the Christian Democratic party.

The elections this weekend have produced a peculiar paradox: The Christian Democrats pleaded with the electorate to oppose the Communists and the Communists asked the electorate to support a national government including, above all, the Christian Democrats and themselves. The fact is, these aren't really elections but, more accurately, a referendum on Italy's future political course.

Every known trick has been employed—from exaggeration, to violence, to threats, to misrepresentation of facts. The Communists promised that an independent state of Vatican City will continue if they gain a lion's share of power, but also warned they intend to modify the concordat between church and state signed in 1829.

The church, which is forbidden by that same concordat from interference in politics, has rather openly fought to preserve the so-

called "policy of cooperation with Socialists" urged upon the then dominant Christian Democrats by their own liberal wing, and endorsed by Washington. After all, the Communists were further left than the Socialists, initial beneficiaries.

A retired air force general, Nino Pasti, ran for the Senate on the Communist ticket while proclaiming himself as the "former NATO supreme commander in Europe" for nuclear affairs.

However, the present SEAPF headquarters in Casale, Belgium, insists there is no such post and never has been. Inquiry ascertains that Pasti was a "deputy" but in no sense "commander," a substantially more authoritative position. Thus, it is implied that his atomic knowledge could be exaggerated.

The German-speaking minority in Alto Adige talks of breaking with Rome (if the Communists gain a hold) and opting for Austrian citizenship. For their part, the Communists have stressed the incompetence, to nothing record and corruption of Christian Democratic governments over three decades. However, on the last point, Sen. Eugenio Reale, former Communist treasurer, says half the party's budget comes from kickbacks on trade with pro-Soviet East Europe.

When the post-electoral haze eventually clears away, it may become possible to assess the sincerity of Berlinguer's announced intentions and to measure them against Italy's requirements. He sees Marxism as "the fruit of Western industrial workers" and "this necessitates an organic role in Europe for it."

"The Communist renaissance in the West doesn't change the differences that exist between various countries and various Communist parties. Each develops differently—as in Italy, France and Spain."

In other words, Berlinguer envisions what is now called "Euro-Communism" as an up-to-date sociopolitical form whose national roots and national obligations are equal to those of other parties. Soon we will find out—if the Italian party does well enough to impose itself on any new coalition.

Italian Communism sees the danger of trying to flavor its dish of pasta with Chile sauce. But that does not lessen its appetite for power. Now it wants the soup, meat and nuts as well.

Another Forgotten Problem

By James Reston

WASHINGTON.—In the few days the United States has begun formal negotiations with the Marcos regime in the Philippines about the issue of the Clark Field and Subic Bay negotiations, the political and military aspects of Washington, scarcely been noted in the but they raise fundamental legal and even moral questions for the U.S. government.

The strategic value of and Subic is greater now, defense of the Pacific and as transportation links in the Middle East than at any time since the last world war. U.S.-Japanese political relations have improved in the last years. U.S. military bases in Japan are under strict political attack.

Accordingly, as Peter G. Hain, an expert on U.S.-Japan studies at Harvard, points out, the Harvard magazine, the second largest air base in the world, and Subic Bay, which drydock the largest U.S. Pacific Fleet, are not only major U.S. military assets in the Pacific.

More important, together the supporting facilities on the island of Luzon, the base of the U.S. military installations in Hawaii and the Marianas. Nobody knows this better than Ferdinand Marcos, President of the Republic of the Philippines. With the destruction of its power in the last world war, it is no longer under threat.

Since 1972, Marcos has tried to suppress the Philippine martial law. He faced a problem. There was opposition against the very party that was the very poor, some of who no doubt financed by Communist influence and money from abroad, under the Philippine situation, Marcos's presidency limited to two terms and coming to the end of his first, he introduced considerable social reforms but he decided, like Indira Gandhi in India, to suppress the opposition, arrest his opponents and muzzle the press.

Internal Question

All this, whether we like it or not, is obviously an attempt to suppress the opposition, arrest his opponents and muzzle the press. The courts, arrest his opponents and muzzle the press. The courts, arrest his opponents and muzzle the press.

As part of his pressure on the United States, Marcos is to be playing sort of a game of his own against the U.S. government.

He and his wife, Imelda, went to the Philippines to the U.S. Philippine negotiators in the future of Clark and Subic Bay, they suddenly turn together in Moscow and, some weeks later, with Foreign Minister Andrei Gromyko, re-establish relations with the Soviet Union.

This may be all to the but it suggests an obvious of pressure: If we don't Marcos what he wants to do, maybe he could go where. It is a silly proposition, for neither the U.S. nor the Soviet Union are so easily swayed by political games that is now going on.

In Washington's present about these problems, and they do think about them, but they think about them in terms of the Philippines, not the Panama question, likely to go away. It is trying to stall it and any decision until after the election. But it is a time bomb, sooner or later somebody is going to have to defuse it.

Historian's View at Age 70

A.J.P. Taylor Sees A Crisis in the West

By Bernard Weinraub

LONDON (NYT).—A.J.P. Taylor, the distinguished British historian, says that the economic crisis engulfing the nation is entwined with a deeper crisis gripping the Western World. He says that British links to Europe are a "nuisance," that he welcomes the prospect of Communists participating in an Italian government and that Britain should face the problem of Northern Ireland head on and withdraw its troops as quickly as possible.

Mr. Taylor spoke the other day about himself, about Britain, about Europe.

"No, I've never been to the United States," the historian said. "Why should I go? I like old buildings. There are none of any great age in the United States. I like agreeable, sophisticated food and I was told by Maurice Bowra, the Warden of Wadham College, now dead, that when he went to the United States he never had a decent meal. So if I can't see any lovely buildings and if I can't get any decent food, what should I go for?"

Democratic Socialism

The alternative, he said, is socialism without dictatorship. "We've never seen the experiment seriously tried of a socialist economy run in a democratic country," he said. "We may see it used in Italy."

Asked if he was worried about possible Communist gains in next week's election in Italy, Mr. Taylor replied: "Not in the slightest. In my opinion, even if the Italian Communists get a mere 20 per cent vote in Italian politics, they will follow an independent line and Soviet Russia would be quite anxious not to take them over. Russia's got quite a lot to do without taking them over. It may be that the American empire which has been built up since the war and given America such control over Europe, would now be disbanded, but not a great misfortune for the rest of us."

The historian said that Britain's relationship with Europe was likely to remain complicated and a bit distant.

"We are, whatever people say, more loosely attached to Europe than, say, Germany or France," he said. "Europe has always been for us, in a sense, a nuisance. Somewhere, we've got dragged into wars that are of no concern to us, because of the mistakes that Europeans have made. We liberate



A.J.P. Taylor

them over and over again, and then they aren't grateful."

Two months ago Mr. Taylor stirred controversy because of statements that Britain should withdraw its 15,000 troops from Northern Ireland. Britain, the Irish government and most moderates in Ulster oppose any troop withdrawal, saying that a civil war between Catholics and Protestants would follow.

Mr. Taylor, speaking quietly, said: "There is already a civil war; there is already killing every day and it's by no means certain that British withdrawal would make it worse. In fact, by pressing responsibility on the people, it is more likely to produce a solution."

"What is certain is that as long as the British stay, no solution will be found," he said. "And finally, and more cynically, if there is a civil war that in its turn will produce an answer."

Mr. Taylor's most controversial book was "The Origins of the

Second World War," published in 1961, which argued that Hitler was an opportunist who stumbled into a world war and realized, from 1941 onward, that he was fighting a delaying action.

No Clear-Cut Plan

"I set out with the firm conviction, inherited from my prewar years, that Hitler had planned it all," Mr. Taylor has said. "I discovered, or at least I thought I discovered, that Hitler, though no doubt resolved to make Germany a world power, had no clear-cut plan how to do it and moved forward with the changing situation."

"Some critics were shocked by this and attributed to me all kinds of wickedness—apologizing for Hitler or justifying the later appeasement of Soviet Russia. I had no such aims. My historian's conscience simply carried me to an unexpected direction."

Not when so much is at stake.

Mrs. Carter Blazes a Campaign Trail

By Judy Klemesrud

NEW YORK (NYT).—Rosalynn Carter, the Democratic front-runner for first lady, says the grueling 14-month prenomination campaign that she and her husband, Jimmy, have just concluded was like "being in a tunnel—I don't know any of the new books, I don't know any of the new movies, I don't know anything."

Now there is light at the end of that tunnel and Rosalynn Carter knows that her husband has the Democratic presidential nomination virtually sewed up.

Unlike many candidates' wives of the past, Mrs. Carter, 48 years old, who was resting in Plains, Ga., campaigned on her own rather than with her husband in the Carter's attempt to reach as many voters as possible.

Avoided Speeches

"She campaigned exactly the way Jimmy did, except she didn't make any major policy speeches," said Madeline MacBean, a former Delta Air Lines stewardess who is now Mrs. Carter's social secretary, scheduler and closest friend.

"She didn't do only women's teas. She showed up at factories at 7 in the morning, at Democratic meetings, church gatherings, shopping centers and public festivals. She held her own news conferences and she did television interviews."

At her last primary campaign, in New Jersey, Rosalynn Carter had a cold. A bad one. Her throat hurt so much she could hardly talk, but her husband was red, her husband's face showed the strain and her shy smile didn't come as easily as it usually does.

Georgia Peanuts

Riding from campaign stop to campaign stop, she downed large white aspirins without water as easily as though they were well, Georgia peanuts.

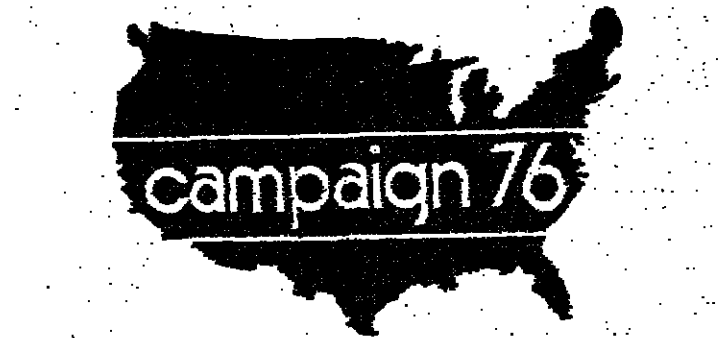
But Mrs. Carter kept on stumping, shaking hands, giving her 10-minute speech and urging people to "please vote" for her husband.

This was her 14th month on the campaign trail, and New Jersey was her 34th and final state and Mrs. Carter, who evokes the image of a steel magnolia blossom, was not about to let a little illness get in her way.

Not when so much is at stake.



Rosalynn Carter



That's just not the way the hard-driving Carter family operates.

"We have three married sons, and they and their wives are all out campaigning," she proudly told 150 members of the Rockaway Township New Democratic Club who were meeting in a dingy American Legion hall. "Besides that, Jimmy's sister and an aunt are out campaigning. We just have Carters all over the place."

'One Tough Lady'

Mrs. Carter, whose slim 5-foot-5-inch, 110-pound figure was sheathed in a ladylike light blue suit worn with a flowery bow-tied blouse, has been described as "one tough lady" (by the Carter campaign director), "very ambitious" (by her mother-in-law) and "my best friend" (by her husband).

Whenever there are any idle moments in her campaign day, she becomes tense and flighty, and she starts looking around for somebody, anybody, to shake hands with, or for a reporter to jot down her thoughts, or a ladies room where she can apply a fresh coat of lipstick and touch up the black mascara and gray eyeshadow that frame her very best features, her blue-fair eyes.

Mother and Wife

But when asked recently on a Manhattan television interview how she would describe herself, Mrs. Carter said in her very softest, sweetest Southern drawl: "As a mother and a wife, and as a 7-17-76, I will have been married 30 years."

Just as quickly, however, Mrs. Carter will coolly point out how she sat in on most of her husband's strategy sessions from the very beginning, how he is always asking her for her advice and how she willingly gives it, and how, in the past, she has "yelled and screamed" at him (and, maybe said "damn," but never "hell") when they disagreed about something and how he "gets quiet" when she behaves that way.

Her speeches usually end with standing ovations when she says, "This year we have a chance to elect a man, president with no strings attached. I think Jimmy will be a great president [dramatic pause] and I'm here because we need your help."

Both Carters have been accused in the past of lacking a sense of humor, but Mrs. Carter smiled broadly when looking, unfurling, and waving her handkerchiefs of her husband were flashed on the screen while she was being interviewed on television here.

4 Children

"It doesn't anger me," she told the interviewer, "because we've tried so long to get Jimmy known, and whenever people see those teeth pictures, they think of Jimmy."

A few minutes later, off camera, she said she wished she had told the interviewer what her mother had said after Rosalynn's first date with Jimmy: "She said she liked him because he had such a nice smile."

Mrs. Carter, who graduated from a junior college called Georgia Southwestern in Americus, Ga., married Mr. Carter when she was 19 and he was 22 and just out of the United States Naval Academy. They have four children, Jack, 28; Chip, 26; Jeff, 23, and Amy, 8, and a grandchild.

The Carters are often photographed hugging and kissing public, and Mrs. Carter said of the "reasons" the marriage had been successful was "faith and respect."

"We've always been kind of partners," she said during an interview. "If Jimmy went out and did great things, and I was at home with the house, I'd be resentful. But he didn't keep the books for our past business, and managed the business while he was in the Senate. He thinks I can do anything—more than I think I can do."

Like all the candidates' wives Mrs. Carter has been bombarded during the campaign with questions about her life. She has come to be known as "Betty Ford questions," those questions about controversial issues that Mrs. Ford has spoken on during the Ford administration.

'The Bible Says'

Regarding abortion, Mrs. Carter is personally opposed but also opposed to a constitutional amendment that would make it illegal. She is also against a marital sex—"I just think wrong. The Bible says wrong. Marijuana should be decriminalized but not legal. She believes, and she favors passage of the woman's 19 Rights Amendment."

The Carters' sleeping arrangements at the White House were similar to those when George lived at the governor's mansion, she said. "There was a third lady's room and Amy slept in it."

It was while she was living the governor's mansion, she said, she had a religious experience similar to her husband's much publicized one. "I'm Baptist, and I've always been religious," she said, "but it was until I got to the governor's mansion that I realized I was trying to solve all my own problems. You just realize you got to have a source of strength. My experience was just kind of gradual, not in one moment. I dedicated my life to God. There, as a source of strength."

Today she prays several times a day, she said, especially before meeting voters or appearing on television. "I'll say, 'Help, right now, Jesus,'" she said, "not a formal-type praying, but just an acknowledgment of God's there, as a source of strength."

Right of Accused To Remain Silent Supported in U.S.

WASHINGTON, June 20 (NYT).—The Supreme Court last week said a defendant has the right to remain silent in questioning and that he cannot be punished for not answering questions.

Ruling 6-3 in favor of the accused, the court held that the 1966 Miranda decision, which required police to inform suspects of their rights before questioning, was not unconstitutional.

Specifically, the court ruled that if a defendant is warned of his right to remain silent, and if he then chooses to answer questions, any statements he makes can be used against him in court.

To allow the prosecutor to prove that the defendant was not punished for not answering questions, the court said in an opinion written by Associate Justice Lewis Powell Jr., would be "fundamentally unfair" and would violate the defendant's right to a fair trial.

Facing the Problems of Industrialized Nations

By Walter Sullivan

LAIBURG, Austria (NYT).—After three years of development, the institute established here under Soviet-U.S. auspices to attack the long-range problems of the industrialized countries has come of age.

It has initiated a five-year analysis of the world's energy prospects that, at midpoint, indicates that environmental constraints, such as climate modification caused by heavy energy use, may prove at least as much of a limiting factor as available energy sources.

It has generated a revolutionary proposal by one of the institute's specialists for the conversion of waste in the equatorial Pacific to nuclear centers that would supply most of the world's energy needs without importing fuel or exporting radioactive waste.

And it has won sufficient international recognition so that its membership by the end of this year will have grown from the original 12 national academies of science (or other such institutions) to 16, with three additional candidates on the horizon.

It is known as the International Institute for Applied Systems Analysis.

The proposal to convert waste into "energy islands" is one of several contributions to the second status report of the institute's study of world energy systems due to be completed in 1978.

The author is Dr. Oeser Marchetti of Italy, a physicist who previously headed the materials division of Euratom, the atomic energy agency of the European Community.

He takes as an example the Canton Island Atoll, whose enclosed lagoon would shelter five concrete barges each carrying a nuclear plant generating 900 billion watts of energy, 100 times the capacity of the largest plants today.

This would be used to separate hydrogen from the oxygen in water. The hydrogen from such installations would then be liquefied and sent by tanker to fill energy needs throughout the world.

Despite the vast energy production of the complex, thermal pollution of the sea or atmosphere would be only slight, Dr. Marchetti says. Cooling water would be drawn from great depth offshore, where the bottom water is frigid.

The water would be returned to the sea only slightly warmer than temperatures typical of tropical surface water. However, being laden with nutrients from the bottom, it would cause a rich "bloom" of marine life in the area.

The increased atmospheric heat, under equatorial conditions, would

create clouds that would reduce solar heating, thus neutralizing the effect. The volume of cooling water drawn from the depths would be so vast that it would contain several times as much uranium as that needed for fuel, an estimated 500 tons a year for the Canton complex.

Disposal of Waste

A plant would be included to extract uranium from that water. Under each barge a disposal well for radioactive waste would be sunk through a mile of coral beneath the lagoon into the basaltic rock of the volcano whose subsidence formed the atoll.

The capsules of radioactive waste would be sufficiently concentrated so that their heat would melt the basalt and allow them to sink beyond retrieval.

Dr. Marchetti notes that the output of typical generating plants has been doubling every 6.5 years since the start of this century, being now 100,000 times greater than it was then. It has become a rule of thumb, that the higher they are, the cheaper the unit cost of their output.

The director of the energy study and deputy director of the institute is Dr. Wolf Haefele, who formerly headed the West German program for development of breeder reactors. The breeder

reactors are so named because they convert or "breed" uranium 238, which is useless as fuel, into plutonium 239, which can be "burned" in reactors.

Dr. Marchetti sees breeders as ideal candidates for the energy islands.

In the status report, Dr. Haefele, whose proposals are more conventional, analyzes the role of carbon dioxide from extensive fuel burning in altering climate. Some of that gas goes into the sea and some into plant growth, but the gas that remains in the air could make the world warmer.

The energy study focuses on the 50-year period following 1980 so as not to overlap national studies of shorter-term problems.

In a recent discussion of energy strategies, Dr. Haefele said that the use of hydrogen as a transportable form of energy "most certainly" had to be developed.

Hydrogen can be separated out of water either by electrolysis or by heat from a nuclear plant. More ingenious ways to use solar energy must be sought as well as the economical production of power from the fusion of hydrogen atoms, he said.

But, he added, "A general trend today is to overemphasize the importance of the production of energy." At least of equal importance, he said, is "adequate

handling and embedding of the stream of energy into the atmosphere, the hydrosphere, the ecosphere and the biosphere."

Set Up in 1973

The institute's achievement of maturity was marked last month at a meeting of its governing council. Present were the two figures chiefly responsible for its founding: McGeorge Bundy, head of the Ford Foundation, and Jerôme Givissian, a Soviet specialist in scientific management techniques and son-in-law of Premier Alexei Kosygin.

The institute originated in 1960 when the late President Lyndon Johnson asked Mr. Bundy, his former national security adviser, to approach the Russians regarding such a program. Mr. Bundy spoke with Ambassador Anatoli Dobrynin, who referred him to Mr. Givissian in Moscow. The charter was signed late in 1973 and the institute was established a year later.

A study, aided by a grant from the Ford Foundation, is analyzing factors that control urban growth, both in economic and population terms. Another project has been assessing the application of systems analysis to developmental problems in three diverse regions: East Germany, the Elbe-Arge area, of France and Wisconsin.

Alcoholism Study Launches Spirited Debate

By Jane E. Brody

NEW YORK (NYT).—A Rand Corp. study released this month suggesting that some alcoholics can, after treatment, resume normal drinking without relapsing has brought to the surface a long-standing dispute that some experts say has stifled the development of new approaches to treating alcoholism.

For nearly two decades, this smoldering controversy has pitted research scientists against practicing therapists, scientific evidence against deeply entrenched beliefs, new therapies against the tried and true.

Dozens of studies with findings similar to Rand's have been ignored, rejected, attacked, even suppressed.

The new report, like earlier ones suggesting that some alcoholics can learn to drink safely, has been vehemently attacked by alcoholism groups and former alcoholics as invalid, misleading and dangerous to the hundreds of thousands of the nation's 9 million alcoholics who have arrested their disease through total abstinence.

Back to the Bottle

The attackers, particularly the National Council on Alcoholism—the nation's only voluntary educational organization in the field—have charged that the publicity given to findings like Rand's would lure countless recovered alcoholics back to the bottle and, inevitably, to the physical, social and emotional degradation of alcoholism.

The Rand study authors have cautioned

that there is currently no way to predict who could and who could not maintain social drinking without relapsing into alcohol abuse, and they have warned alcoholics who are now abstinent against trying to drink.

Under the circumstances, executives of the National Council on Alcoholism said, the report should not have been released to the public.

Since its founding in 1944, the council and its 130 affiliates around the country, as well as Alcoholics Anonymous, which reports a membership of more than 900,000, have insisted that total abstinence is the only way to recover from alcoholism. The alcoholic, these groups say, is always "one drink away from a drunk" and therefore he must never take that first drink.

AA's Viewpoint

Some—including a spokesman for AA and several physicians who treat alcoholism—have stated that any alcoholic who was able to return to moderate drinking was not really an alcoholic to begin with.

Although researchers who say they have shown otherwise still say that abstinence is the most reliable treatment for the majority of alcoholics (and the only treatment for those whose body organs have been damaged by alcohol), they add that other ways are urgently needed to help those who find abstinence undesirable or impossible.

"As long as treatment programs insist on

abstinence," said Dr. Morris Chafetz, former director of the National Institute of Alcohol Abuse and Alcoholism, which sponsored the Rand study, "people who feel that alcohol must remain an integral part of their lives will be discouraged from seeking treatment early in their disease."

In an editorial last year, the leading British medical journal, the Lancet, noted that "insistence on abstinence . . . is now being questioned. Some patients, if they drink again, have such feelings of guilt and failure that they are inhibited from returning to treatment. And the clinician's explicit or implicit assumption that one drink will inevitably lead to loss of control may become a self-fulfilling prophecy."

Social Drinkers

Since the late 1950s, a growing body of research—both experimental and empirical—has indicated that for a minority of alcoholics (between 4 and 25 per cent, depending on the study criteria) a return to moderate, nonabusive drinking is possible.

There are more than 60 such reports in medical literature. These studies, which have all been ignored or disputed by the paraprofessionals who dominate the field of alcoholism treatment, have shown the following:

- Alcoholics do not necessarily lose control when they drink and there is no "physiologic trigger" that compels them to keep on drinking.
- A small but significant proportion of

alcoholics spontaneously modify their drinking, so that alcohol is no longer a "problem" in their lives.

• Some alcoholics who have been through treatment programs that recommend abstinence also become social drinkers, although they may not maintain contact with the therapy group, since they are neither abusing nor abstaining from alcohol.

• Some alcoholics who reject abstinence can be trained to drink moderately.

In 1967, Dr. Melvin Selzer and Dr. William Holloway of the University of Michigan reported that a follow-up of 83 alcoholics treated at a state hospital uncovered 13 who later became social drinkers. According to Dr. Selzer, "the data prompted the agency that provided funds for the study virtually to order us to omit these 'embarrassing' findings."

Five years later, a British psychiatrist, Dr. D.L. Davies, issued a widely publicized report that 7 to 11 years after discharge from the hospital, 7 of 93 men treated for alcohol addiction were found to be drinking normally and none had been drunk even once since treatment.

Dr. Davies's findings were attacked as irrelevant, untrue, dangerous, counter to long-standing clinical experience and requiring a rethinking of the view that alcoholism is an irreversible, incurable illness. However, Dr. Davies's observation was repeated in numerous similar studies in several countries.

A national survey by a San Francisco sociologist, Don Cahalan, and his colleagues

disclosed that more than half of the persons who reported having a severe drinking problem in 1969 were no longer abusing alcohol four years later.

Another Study

Another study among 521 San Francisco men who were "problem drinkers" but who were not treated for alcoholism showed that, depending on the criteria used, between 11 and 71 per cent had spontaneously improved in four years, although only one had become totally abstinent.

Some doctors also tested the "loss of control" characteristic of alcoholism by giving hospitalized alcoholics unlimited access to alcohol but rewarding or punishing them for exceeding certain limits on consumption.

In all the studies, the alcoholics were able to stop drinking when they had reached the limit, but before they had become intoxicated, indicating that there was no biochemical "trigger" that kept the alcoholic drinking.

Normal Limits

At a California state hospital, a simulated barroom and mild electric shocks were used to help train 20 alcoholic volunteers in the techniques of social drinking. At the end of a year, 75 per cent of these "controlled-drinking" patients (and 80 per cent of a similar group that chose abstinence as its goal) were reported functioning well and not abusing alcohol.

In the Rand study, approximately one-

quarter of 1,240 alcoholics were found to be drinking socially normal limits 11 years after entering an alcohol treatment program. Only 10 per cent were totally abstinent, though 70 per cent were judged to be "remission."

The Rand Corp. is a large private research organization in Santa Monica, Calif.

In the current issue of the *American Journal of Psychiatry*, Dr. Melvin Selzer, psychologist, and Morton Pophoff, a 30-year-old worker, who have both worked in a 10-year alcoholism program, state that treatment for alcoholism "has developed in spite of the aid of research in spite of it."

"Research findings," they said, "seem to have been simply ignored. I loyally to traditional concepts is the 'treatment' that binds the nonprofessionals in alcohol treatment."

They noted that many in the treatment field are themselves recovered alcoholics whose sobriety is founded on abstinence. They may be "deeply disturbed by the fact that some alcoholics can recover and drink socially."

In 1962, Dr. Selzer said that alcoholics prefer not to hear about success in social drinking because it "upsets their treatment concepts." He added, however, that even though experiments with social drinking "will yield discouraging results in most instances, this is not sufficient excuse for prejudiced persons to stifle truth."

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A SWEDISH ECONOMIC SURVEY

A Nation Produces a Miracle Despite World Recession

By Roger Choate
STOCKHOLM (UPI)—They've never had it so good. As the world painfully emerges from the worst recession since World War II the Swedes have quietly continued doing the thing they do best—getting richer.

Real disposable income in 1974-5 rose nearly 14 per cent, greater than in any corresponding period since 1943, and well below inflationary rates. This genuine miracle was achieved against a background of negligible unemployment and rising industrial investment, prompting the Organization for Economic Cooperation and Development (OECD) to grant Sweden kudos for exemplary economic behavior.

The OECD suggested that Swedish economic policies deserve careful attention "as an example of what can be achieved by a combination of flexible demand management and selective policies—sometimes referred to as fine tuning—during serious international recessions, even in a country heavily dependent upon foreign trade."

Affluence is an old story for the 8.2 million citizens in an isolated Nordic country whose economic demerch has been undisturbed by warfare for 160 years. In the summer of 1973, as a result of currency fluctuations and steady if unspectacular growth, the Swedes became the world's richest people in terms of GNP per head.

In the following year, as economic crises stalked Europe, they achieved a remarkable 4.2 per cent growth rate. When the recession finally brushed Sweden in 1975, growth slowed to less than 1 per cent. But real incomes continued to rise while unemployment actually dropped to 1.4 per cent as industrial investment was deliberately stimulated.

With GNP growth estimated at 3 per cent this year and 4 per cent in 1977, international economists are taking the OECD at its word and looking more closely at the foundations of Sweden's success story.

They find that it was one of the early pioneers in attempts to tame the ravages of the business cycle, thanks to economists like Bertil Ohlin and Gunnar Myrdal, who after World War II introduced countercyclical fiscal measures to combat unemployment. Since 1948, in fact, labor shortages have tended to be the rule rather than exception.

Income Distribution

The Swedes do not subscribe to detailed economic planning. There is no such thing as "the plan." Economic management tends to be pragmatic rather than institutional, and is carried out through close personal and professional contacts between a surprisingly small number of decisionmakers in industry, unions and government.

An important aim of Swedish

policy has been to promote a more just distribution of income. Sweden has moved much further ahead than most Western nations in narrowing income gaps. The long-ruling Social Democrats believe that gross income inequalities promote class strife and increase worker alienation. Significantly, this view is shared by a number of Swedish businessmen, who point to Britain and France as casebook studies of unjust societies.

But the central goal of economic planning is full employment, and it is relentlessly pursued irrespective of downward dips in the business cycle, and within the context of attempts to control economic expansion. Inspection of Swedish GNP figures since 1960 reveal steady but undramatic growth averaging 3 per cent annually.

There are few institutional instruments for counteracting business fluctuations, although increased attention is being paid to the investment fund system. The theory is that in good times companies are given tax incentives to place funds in blocked accounts at the Central Bank. When economic activity starts to slacken, as in 1975, funds are released for government-approved "capital" investment, whose aim is to spur economic activity.

Gunnar Strang, the veteran finance minister, is a strong champion of reallocation of re-

(Continued on Page 8, Col. 1.)



Premier Olof Palme

An Interview With Olof Palme

By Uwe Siemon-Netto

STOCKHOLM (UPI)—Sweden is a country of superlatives. She boasts the highest standard of living in the world; she has developed the most progressive social order; she also has some of the highest tax rates, which gained some notoriety recently when film director Ingmar Bergman's fiscal problems drove him into exile.

For all of Sweden's socialism, however, a full 52 per cent of this Nordic country's enterprises is still privately owned. And there are no plans to change that, either. "There will be private ownership even in 20 or 30 years time," Prime Minister Olof Palme said, in an interview in which he also discussed his government's success in riding out the worldwide recession, his visions for the future and the strange mixture of Swedish conservatism and reformism.

Siemon-Netto—Sweden has managed to ride out the worldwide recession better than most countries. Your economy kept growing; you had virtually no unemployment; industrial investment was high. How did you do it?

Palme—By a very determined economic policy using a lot of instruments that we have built up during a very long period. They include helping industries through investment funds and investment allowances. They also include production for stocks to maintain employment and investment as well as production itself. They include retraining schemes for wage-earners and a variety of methods to keep up employment of young people and women. With a combination of all these methods and an expansive general economic policy we succeeded.

Q—Is this a policy that only works in a country with a relatively small and "manageable" population, or do you feel that your methods can also be applied by much larger nations in overcoming future economic crises?

A—There is no fundamental reason why they couldn't be used also in large industrial countries. It might be easier to experiment with them in a small nation. But basically they are applicable to any type of country.

Q—You have had an inflation rate of more than 10 per cent, though, higher than West Germany, Switzerland or the Benelux states. I understand that some Swedish industrialists and even officials in your ministry of finance are advocating a 5-8 per cent devaluation of your currency. Will the krona be devalued?

A—No.

We can say that our inflation rate has been clearly below the European average. During 1974 and 1975 we were second only to the Germans. Only now has the inflation rate increased to the European average, which causes us some concern. There will be a number of measures to counter this. But we have not discussed devaluation.

Q—What might these measures be?

A—One measure has already been taken. It is a deal with the wage-earners' organizations.

They will hold back on their wage demands. In return direct personal taxes will be lowered next year, which will be the equivalent to a normal wage increase of 5-10 per cent. And there will also be very strict economic policies...

Q—... such as?

A—... keeping down the budget deficit, having a surveillance of prices, stimulating investment and productivity.

Q—You keep saying that everybody needs a utopia which, he should know, can only be approached but never quite achieved. What does your utopia look like and how much of it can, in your opinion, be realized?

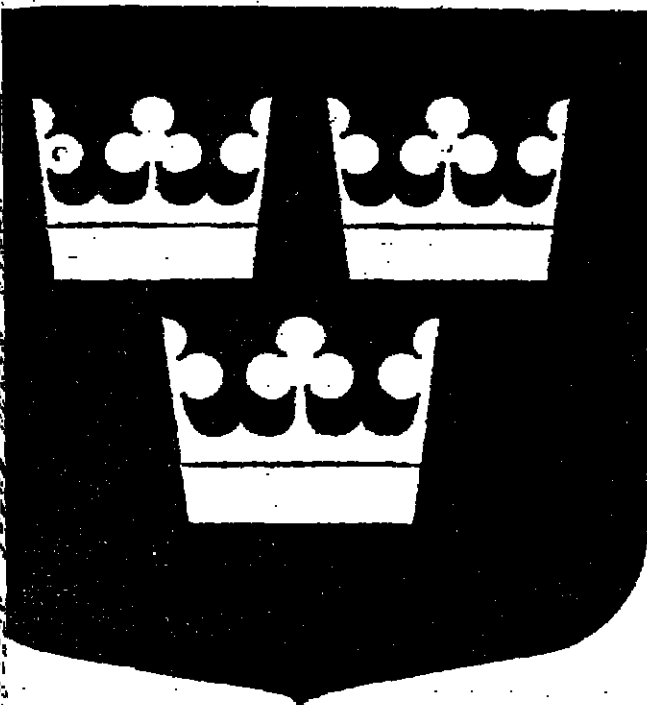
A—I have sometimes been talking about a provisional utopia, that is, about things that we can reasonably tend to do. The aims of our policies are now: Firstly, a good life for our older generation. This involves care, human contacts and generosity. Secondly, a democratic renewal of life in industry, so that all employees can have an influence on their daily work and that they have a greater sense of fulfillment in their work. The biggest reforms in the last few years have been taken in this field.

Thirdly, a society that is positive to children and that, while striving for equality between men and women, gives parents a chance to spend more time with their children. Therefore, our family policy and our policy for equality between the sexes play a very important role.

Fourthly, a more gentle society as far as relations between the society and the individual and between the individuals themselves are concerned. These points belong to my provisional utopia and they are attainable within the next 10 years, I should think. It will be a society in which you will have a great deal of personal, individual freedom, but at the same time a great sense of solidarity and community among the citizens. To solve the problems of human loneliness and human longing for community—that's what democratic socialism is all about.

Q—Haven't you recently said that efforts should be made to reduce the Swedish bureaucracy?

A—Oh no! I have said that we need the bureaucracy and that, if it doesn't function, sometimes



Issue in Election

Nuclear Power Debate is Raging

By Roger Choate and Dave Noble

STOCKHOLM (UPI)—The Swedes' voracious appetite for energy, unmatched outside America, has plunged the nation into a polarizing nuclear debate. Nowhere are the stakes of atomic energy higher or heatedly discussed.

Dispute has cut through party lines, divided the community and threatened the eight million of this environment-state.

Sweden has huge reserves of water power but lacks oil. To date it has been reliant on imported oil to run its industrial wheels turn.

By the 1973 oil crisis, Sweden's dependence on imported oil was a major issue. The Social Democratic government decided to push the nuclear debate through the last year of a bill raising the price of nuclear energy from the present five pence to 10 pence.

Party leader Torbjörn Fälldin's failure to get militant opponents of power has weakened his position in a televised election duel.

Olof Palme is trying everything to make him appear an opportunist with no real answers.

The government's long-time ally, the VPK Communist Party, is split on the issue but has demanded a national referendum.

Grass-roots mobilization on the emotive subject of nuclear power has been remarkable. Hundreds of workers' study circles have examined the question, all the political parties run information programs on it and anti-nuclear demonstrations throughout the land attract massive crowds.

Environmental groups and a number of Swedish scientists are pressing the point that production geared to genuine social needs would slash energy requirements without affecting living standards, generally recognized as the highest in the world.

The Center for Inter-Disciplinary Studies in Gothenburg has concluded that with careful planning Sweden could maintain its standard of living on two-thirds of its current energy consumption. Necessary steps would include better insulation, more recycling and "soft" technology, longer-lasting products, a shift from private to public transport, and in the long term reorganized urban infrastructures and production set-ups.

Some of these methods, of course, would require profound structural changes in society, challenging the fundamental tenets of capitalism. But they are being constantly aired in Sweden, a laboratory of some experimentation, and are gaining a groundswell of support.

Swedish enterprises can ill afford this time of reasoning, not least because most major companies have based their planning and investment programs well into the 1980s on the soaring availability of atomic power. Also, the nuclear industry is big business both in the export and domestic sectors. Besides the semi-state-owned ASEA-ATOM, groups like Stal-Laval, Uddesund and the OKG consortium are deeply involved.

Premier Palme has made it clear he does not consider the possible risks involved in the increased use of nuclear energy to be serious enough "to warrant giving up our economic and social goals." He said that more oil is the only alternative "but this is an even worse pollution risk."

(Continued on Page 8, Col. 2.)

This Section

This supplement was prepared by Roger Choate and Dave Noble of Writers Workshop in Stockholm, with the participation of Uwe Siemon-Netto.

The Swedish krona had a value of 4.295 to the dollar as of Friday.

Skandinaviska Enskilda Banken Consolidated Statement

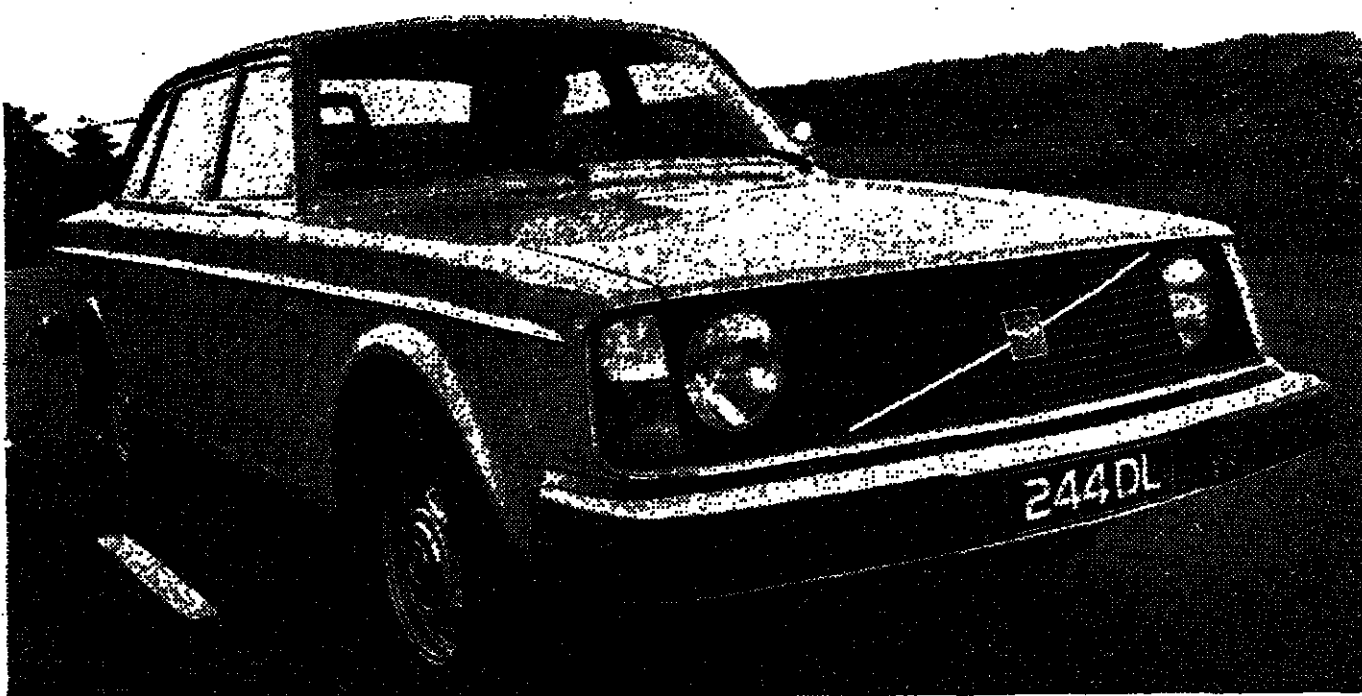
Assets SwKronor million	1975	1974	Liabilities SwKronor million	1975	1974
Cash and Due from Banks	7,908	7,791	Due to Banks	6,068	5,181
Government and Other Securities and Bonds	7,650	4,543	Deposits	24,684	21,856
Loans and Advances	25,896	24,951	Long-term Debt	4,043	8,577
Other Assets	1,614	1,467	Other Liabilities	1,980	1,191
Total Assets	44,068	38,752	Reserves for Possible Losses	1,002	874
			Shareholders' Equity	1,289	1,093
			Total Liabilities	44,066	38,752



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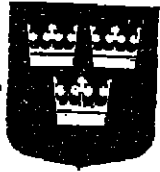
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The Nation Achieves a Miracle in a Time of World Recession

(Continued from preceding page) sources from private consumption to capital investment and the public sector. Thus the share of GNP from the mid-1940s to the present has declined from 65 per cent to 55 per cent. At the same time, the investment ratio has increased from 18 to 23 per cent, and the public sector has grown from 17 per cent to 38 per cent of GNP.

Public Sector

It is notable that the public sector in Sweden has not been enlarged through nationalization of industries—92 per cent is privately owned—but through a sort of nationalization of profits through company contributions to institutions like the State Pension Fund, Sweden's largest single pool of capital. The fund is integral to an ever-expanding public service sector, which is somewhat larger as a percentage of GNP than elsewhere in Western Europe.

In "Socialist" Sweden, ruled for 44 years by the Social Democratic party, private companies have few complaints. "Sweden is a good place for capitalism," said the president of a large Swedish steel and paper group. He noted that while personal taxation is high, the government nonetheless encourages a high level of investment through easy write-offs and depreciation regulations. On the other hand, small companies as well as individual entrepreneurs like film producer Ingmar Bergman, do not receive the same treatment as economic giants like Volvo, SKF and Alfa-Laval, and complaints are common.

When the international recession finally reached Sweden last year, the country's economic managers provided the world with a casebook study of their techniques.

As the export picture darkened in the spring of 1975, the Social Democrats entered into a set of political and economic understandings in conferences at Haga Palace, Stockholm, with leaders of opposition parties, businessmen and union leaders. They all agreed to ride out the recession in full gear by maintaining high employment through stockpiling, and by stoking industry with investment funds to coincide with an expected economic upswing this year—also an election year. The pump priming started last June, therefore, when the gov-

ernment issued a revised budget releasing about 8 billion kronor from blocked investment funds at the Central Bank to perk industry, in the form of new investments for machinery and equipment. Also introduced were capital expenditures to make plants safer and more pleasant in efforts to cut absentee rates amongst Europe's best-paid workers.

Pump priming continued throughout the long winter and spring as the government, in tacit alliance with industry, also introduced measures costing 2 billion kronor, including advances on approved stock-building assistance for companies, extended stock-building aid for sawmills and government guarantees on stock-building loans.

The government of Premier Olof Palme additionally pushed through extra tax deductions for investments in machinery—a measure

so generous that some companies like Volvo may wind up paying no state corporate taxes whatsoever on 1976 earnings.

Another economic stimulant approved this year would give a further gloss to Sweden's welfare state, regarded by some as an instructive model in social engineering. Approved was a Palme plan to spend some 2 billion kronor over the next five years on day-care and after-school recreation centers for children, thus enabling more women to enter the labor force.

Earlier this month, in a move toward "industrial democracy," parliament passed a bill putting trade unions on a theoretical par with managements in running companies. Organized labor, starting Jan. 1, will have right of access to all information relating to decision making, including company secrets. Unions can legally negotiate

When the international recession finally reached Sweden last year, the country's economic managers provided the world with a casebook study of their techniques.

codetermination agreements with managements of both private and public companies, and initiate industrial stoppages even during the life of collective bargaining contracts. Unions also will have a primary right to negotiate with employers on all matters concerning production methods and working conditions.

Docile Labor

But, to a large extent, the legislation simply codifies what has been standard practice in many

large Swedish firms, where harmonious relations with union leaders, coupled with a well-disciplined and docile labor force, have fueled Swedish prosperity. Unions already have two members on boards of Swedish companies with more than 100 employees, "and they're very nice chaps, really," said a Kockums shipbuilding executive in Malmö.

It is certainly true that Sweden has paid a certain economic price during the international recession in pursuing both full em-

ployment and rising real incomes. During the two years since the oil crisis Sweden has run a large deficit on the balance of current accounts. After a surplus of 5.3 billion kronor in 1973 the current balance showed deficits in 1974-75 of more than 4 billion and 7.5 billion, respectively.

The result has been unusual borrowing abroad, which from 1974-75 is estimated at 20 billion kronor. The heavy inflow, when seen against rising incomes and declining exports, has resulted in relatively high inflation, estimated at about 10 per cent this year. On June 3 the discount rate was notched upward from 5.5 to 6 per cent in efforts to dampen inflationary trends.

Exports are starting to rise once again after a long decline. The National Institute of Economic Research said in April that foreign orders to Swedish manufac-

turers had risen, and a recent decline in domestic orders had "slowed." The institute gave no figures.

It predicted that during the summer total employment in manufacturing industries would stabilize and begin to rise. Sweden's economic prospects look bright, in terms of conventional economic models. Industrial production will grow at an annual average of 5.7 per cent during the remainder of the decade, according to a forecast issued by the National Industrial Board.

Productivity growth will drop slightly to 6.3 per cent during the period, but a high rate of industrial investment is predicted—3.7 per cent annually. The forecast assumes that international trade will resume growth patterns of the 1960s and that price rises will be moderate. Spokesmen for Svenska Han-

delbanken and Scania-Breda Banken—Sweden's two largest private banks—believe production growth up to 10 per cent in the early 1980s, shipbuilding would remain a doldrum.

Heavy government investments are planned in the huge, state-owned Steelworks 80 complex in Sweden—the country's largest industrial investment since the "jet" fighter. The complex, costing at least 6 billion kronor, is expected to produce 2.5 million tons of raw steel in the 1980s, when the dual advantage of readily available hydroelectric power and iron ore mined in the region.

Economic planners are confident that the finance minister, Axel Persson, will achieve his goal of eliminating foreign borrowing by 1980, a feat that would be a triumph for a country that has been borrowing heavily since the 1960s. The Central Bank has enacted a policy of broadening and aligning the credit market.

New Issues

The aim is to make long-term investments more attractive. It appears that this is the case. Volumes of new issues to industries and municipalities in the first half of 1976, a record 2.2 billion kronor, compared with 1.1 billion kronor during the same period last year.

However, banking circles pressed renewed concern that the ratio of capital to borrowed funds in Sweden was too high, reaching a limit in 1975 of 100 per cent. It has risen from 58.8 per cent in 1961 to 75.5 per cent last year.

The need for investment funds is cited as a prime cause for the reason for Mr. Palme's selection of a controversial Social Credit strategy for creation of a new controlled funds which would guarantee a fixed percentage of each year's pretax profits to the public and private sectors.

This would enable the state to obtain controlling interest in the companies were carried out, a logical conclusion.

An Interview With Premier Olof Palme on the Economy

(Continued from preceding page) Does more socialism not also mean more bureaucracy?

A—On the contrary! While all this is going on we are effecting the greatest spread of power and decentralization ever undertaken in this country by giving the ordinary workers in the factories something to decide on their work places. To me this is the element of socialism that is really the most important, that is, to give people the chance to decide over their own lives. After all, a very important part of people's lives is spent at work.

Q—Premier, it is the stated aim of the Swedish Social Democrats to bring happiness to all the people. But your opponents say that bureaucracy and the huge tax burden seem to have created quite a bit of unhappiness. There seems to be a lot of grumbling and listlessness. How does that affect the work ethic of the Swedes? In fact, how does their work ethic compare with that of their colleagues in comparable countries?

A—I think their work ethic is good. But talking about unhappiness, every year opinion polls are taken in Sweden. One of the questions is always: "Do

you think that Sweden is a very good country to live in?" In 1973, forty-five per cent said that Sweden was a very good country to live in. In 1974, sixty per cent and in 1975 sixty-eight per cent gave that answer. If you include

those who said that Sweden was a rather good country you'll reach 99 per cent . . .

Q—... Sounds Eastern European . . .

A—(Laughs) Yes, but I think

this gives a correct picture of how people appreciate their country. It's very typically Swedish that they grumble and I think they should, too, because there are always a lot of things to complain about.

Q—Getting back to taxes, while the individual in Sweden is being taxed highly, corporate taxes are rather low. In fact, it has been said that some big companies such as Volvo may not have to pay any state corporate

taxes at all on their 1976 earnings. Why is that?

A—Well, basically our position is that, while companies invest, they do something for the future. Therefore they are given a favorable tax treatment. When we negotiated with the EEC they complained that we had the most favorable corporate taxes in Europe.

Also, we have lowered direct taxes. People are paying less in direct taxes than they did six years ago and very much less in state taxes. Municipal taxes have risen a bit, but we have taken off more in indirect taxes.

Q—Some people say that your tax system is stifling creativity. What about those complaints that it creates conformism and suppresses ambition?

A—No, I refuse that absolutely. The fact that we pay high taxes is due to the fact that we spend more on pensions for old people, pensions or aid for the handicapped. In six years we have trebled this amount to six billion kronor per annum. As long as we have the highest productivity per work-hour of any country, I don't think one can say that initiative is being stifled here.

The Great Nuclear Power Debate

(Continued from preceding page) and that stopping the nuclear build-up would inevitably mean mass unemployment.

Another pro-nuclear argument is that the country possesses some of the largest untapped deposits of uranium in the world. Located in central Sweden, these are low grade and would be expensive to extract from the oil shales. But experts say they could fulfill Sweden's requirements for centuries.

The state-owned LEAB mining concern in the north was commissioned to assess the economic viability of opening a uranium mine at Ranstad. There was an outcry from local residents, who accused the company of planning "ecocide" in a remote region rich in wildlife.

At the end of May, 10,000 people protested in Ranstad, among

them Professor Hannes Alfvén, the Nobel Prize-winning nuclear scientist. He told the rally that Sweden had no enrichment facilities and the mined uranium would therefore have to be sent abroad and the finished product re-purchased. "But what will happen to the plutonium that is a by-product of the enrichment process and which is used in the production of atomic weapons," he asked. "Sweden, having rejected nuclear arms, will be directly contributing to the construction of them elsewhere."

At present, the radioactive waste produced by Sweden's five existing reactors goes abroad for reprocessing and storage at plants such as Britain's Windscale. However, it is assumed that pursuit of the nuclear program would eventually mean Sweden having to build its own facilities. This

prospect in particular has upset the public, but a parliamentary commission recently recommended building such a plant on home soil.

The Swedish authorities have also been under pressure to answer charges that nuclear power plants jeopardize the national defense by providing easy targets for terrorist attacks. A study issued by the Stockholm International Peace Research Institute (SIPRI) stated: "Societies cannot effectively protect the nuclear fuel cycle against sabotage short of converting to a garrison state." It called for a worldwide moratorium on use and development of nuclear energy and a crash program to develop alternative energy sources. The Palme government has reacted to public opinion by allocating 350 million kronor to a program on

energy conservation, including studies on solar, wind and geothermal power. Large grants are also being made to industry for investments in reducing energy use in factories and for improving insulation in public and private housing.

But the Premier is committed to the nuclear cause. The Social Democratic and Conservative parties' vision of Sweden over the next decade is based upon the present structure with high consumption and rapid economic growth fueled by atomic energy. Their adversaries prefer a new social model based on decentralization of political power and industry and low energy consumption.

As Olof Palme himself put it: "The question we must really answer is what kind of society we want to create."

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Unions Moving to Even Greater Participation

By Dave Noble

STOCKHOLM (UPI)—Sweden's unions have become Europe's strongest under a new law that adds a major transformation in the structure of authority in a industry.

Years of gnawing away at managerial prerogative culminated this month in a triumph—Swedish management was stripped of ultimate authority in work decision-making. The unions successfully raised their from joint consultation to determination.

Social Democratic government establishing this fundamental change in the employer-union relationship was passed in a marathon parliamentary session that deprived management right to hire and fire and to allocate and direct work.

Next January, union spokesmen are sought on all matters concerning production method, organization, equipment, working conditions, and in disputes over wages, which will be covered by centralized collective agreements. The workers have the right to should negotiations on termination break down.

And union intervention of management-sharing will take precedence until the National Labor Board rules otherwise.

But workers are not being power on a plate. Critics at that the new law also dismisses of wildcat strikes, the employment-out rights and allows management under certain conditions to withhold such vital as company finances are plans.

But of wildcat strikes in 1970, starting at the iron ore minefields, for Confederation of Trade (LO) to try for genuine democracy.

Swedes showed that the workers would no settle for joint consultation. He decided on a strategy described as the corner-stone of Sweden's economic progress. Essentially, this involved leveling the level and control of production and the role of government and policies, while the actual work was left mainly to the hands of private companies, as 80 per cent of Sweden is privately owned.

Mr. Wickman then presided over the creation two years ago

power and also left vital non-wage issues still in the hands of the management. High salaries were of little value when at the local level workers were unable to control the intensified pace of work and the resultant increase in physical danger, stress and social isolation. Studies showed that declining tolerance of hierarchical organization, and critical examination of all claims to au-

thority based on property, also played their part.

Faced with erosion of its 1.3 million members' loyalty, LO decided in 1971 the time had come to move onto the offensive. Industrial democracy and job satisfaction became the name of the game.

Parallel with the drive for power-sharing, the labor movement forced workers' representa-

tives onto company boards and recently came up with a dramatic plan aimed at giving employees financial control of their companies. Since 1973 two "worker-directors" have been seated on all private-firm boards employing at least 100 persons. From July 1 this year all private firms with more than 35 employees will be affected.

While the experiment has

generally been well received by both sides, a recent report on it by the National Industry Board questioned whether board representation "as a separate phenomenon has given the employees any markedly increased influence in the firm." Noting various devices by management to withhold information, the report said over half the worker-directors felt key company decisions were not taken by the board but at other levels, such as managerial groups, executive committees, the presidential or managing director's offices.

Meanwhile, far-ranging efforts are being made to conquer Swedish workers' disenchantment with their lot.

Promotion of worker protection has meant extending health and safety regulations to virtually all employment while substantially strengthening the position of union safety stewards. A steward now has the right to halt any process he considers dangerous, pending inspection, and he is also guaranteed job security and the right to perform his functions and train for them on company time without loss of pay. He must, too, be drawn into planning of workplace alterations.

Further legislation is in the pipeline to regulate working hours, rest periods, hygiene and leisure facilities.

Swedish management is never slow to see the writing on the wall and most big firms now treat job satisfaction as a priority.

Typical of their efforts are the new plants built by automakers Volvo and Saab to free workers from the oppression of the assembly line. Based on earlier experiments in Norway and Britain, these soothingly-designed factories are divided into workshops where autonomous groups assemble the vehicle as a team. Both firms report slightly higher production, less absenteeism and decreased employee turnover, which they say makes worthwhile the 10 to 15-per-cent higher costs of their plants of the future.

The workers who have produced Sweden's enviable high living standard seem to be moving within sight of tolerable job conditions. Whether they become masters of their own economic fate looks like depending on their ability to translate their new authority into effective power. Barring a collapse of the international economy this would be a long and difficult process.

Debate on State Takeover of Banks

STOCKHOLM (UPI)—A chill is detected in the corridors of Sweden's proud private banks, where the banking community has discussed with growing concern the prospect of eventual nationalization.

On the face of it there is no practical reason, as bankers see it, for bringing the nation's commercial banks under the state umbrella. Through the Swedish central bank—the world's oldest central clearing house—the state already exerts startling powers sweeping across the spectrum of banking activity.

Kristen Wickman, its governor and a prominent Social Democrat, has a clout roughly equivalent to Britain's chancellor of the exchequer and governor of the Bank of England combined.

But political pressures are mounting within the ruling Social Democratic party to nationalize commercial banks, which control 38.6 per cent of deposits. State ownership is well up on the list of priorities of the government despite opposition within the Cabinet from conservative Finance Minister Gunnar Sträng.

Mr. Sträng, 70, a member of the Cabinet since 1948, who is nearing retirement, is known to fear that nationalization would be misinterpreted abroad as a sign that Sweden somehow was "going socialist" in a big way.

But bankers at Scandinaviska Bankklubb and Svenska Handelsbanken, the country's biggest commercial banks, believe the pathway toward nationalization was opened up by the 1969 banking act, which eroded the traditional dividing lines on the credit market between commercial banks, the post office banks and cooperative savings banks. The act stated that they were all entitled to conduct business more or less along similar lines.

Mr. Wickman then presided over the creation two years ago

of PK Postal Bank, which represented the merger of the post office bank and the state-controlled Svenska Kreditbank. It has total assets of 20.5 billion kroner (almost \$7 billion), compared with 23.4 billion kroner of Scandinaviska and 20.7 billion at Handelsbanken, and is marginally ahead even in advanced, compared with Scandinaviska.

Other Advantages

PK's other advantages include the fact that it has nearly half the accounts in Sweden into which salaries or wages are paid, and tends to be used for financing state enterprises. In addition, the post office giro service is better established and cheaper than the bank giro when it comes to satisfying requirements of ordinary citizens. And PK can offer Saturday banking. Commercial banks failed in efforts for government approval to have their depositors' checks honored at post offices.

Nonetheless, "relations between the commercial banks and Swedish governments have been excellent," stated Tore Brownald, chairman of Svenska Handelsbanken.

He said that Swedish commercial banks "have been accustomed to the idea of government restricting their activities. . . . Whenever the government has certain economic problems they call in one or two or three bankers and discuss them with us."

"That's the advantage of being a small country," argued Mr. Brownald. "You get to know each other so well. I have never felt my relations with (Premier Olof Palme and Sträng) are onerous, but of course I always object when they put too many restraints upon us from the central bank."

But lately the central bank has managed to achieve an unexpected popularity among Swedish bankers by widening the

gap between short term and long-term rates. The present discount rate is 6 per cent, while 8 per cent is offered on long-term state loans.

Policies pursued by Mr. Wickman to stimulate the long-term capital market for rejuvenating Swedish industry are being widely applauded along Kungälvsgatan, Stockholm's banking district. Bankers still recall the historic credit squeeze of 1971, when they had to refuse industrial credits, and the scars from this experience are still noticeable.

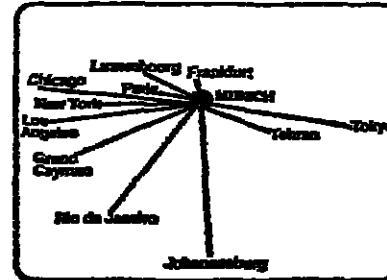
But moves toward long-term finance, combined with the fact that some 20 per cent of placements are being made by private individuals instead of institutions, have encouraged Kungälvsgatan to hope the commercial banking sector eventually might be "restructured" instead of completely nationalized.

Foreign Banks

The banking community has also noted that foreign banks are getting permission to operate in Sweden, although only in roles as merchant bankers to facilitate international financing operations. First National of Chicago has operated in Stockholm for 14 months, and Citibank, Union de Banques à Paris and Banco do Brasil have opened offices. Citibank has an impressive Swedish loan portfolio of over 1.5 billion kroner, mostly credits to Swedish-owned companies overseas.

Meantime the Swedish banks themselves have continued to expand their own overseas operations. Scandinaviska has announced establishment of a facility in Frankfurt in cooperation with Bayerische Landesbank Girozentrale of Munich. The new subsidiary is to finance Swedish-German trade as well as transactions conducted by Swedish firms in West Germany.

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Nationalization of Shipbuilding Industry Grows

STOCKHOLM (UPI)—Along with the banks of the country, you would never see a giant Swedish shipbuilding industry was undergoing a crisis.

Arvidsjö shipyard owned by Goetaverken they are new vessels under cover of new principles, while the shipyard in Malmö has been lifting capacity of the shipyard and streamlining its production capacity.

In the past nine years little has happened second only to the shipyard launched in 1968, although Sweden built 16 new ship orders last year and orders now totalled a whopping 115 worth 6.8 billion kroner and at 1.3 billion kroner fourth of them for ex-

ports the crisis seem apparent. The announcement that the shipyard's 15,000 employees, not on full employment put the year with estimated deliveries of 3 million kroner valued at 6.3 billion up 14 per cent from last year.

The industry nonetheless crunched hard because of a wide gap of tankers as currency fluctuations. Mr. Eriksson's shipyard suffered such losses that it was forced

to merge with Goetaverken following emergency sessions with the government.

The merger, effective next month, means that Eriksson's shares are acquired by Goetaverken for a nominal 1,000 kroner, while the state agrees to cover Eriksson's losses over the next few years.

At the same time the state is increasing its ownership of Goetaverken from 8.5 to 51 per cent by transforming a 45-million-kroner loan to share capital and acquiring 136 million kroner of shares from co-owners Saleninvest AB.

Saleninvest, part of the Salen shipping group, thus retains 49 per cent of Goetaverken and has agreed to submit a 126-million-kroner order for one or more ships this year.

The Eriksson crisis is the first time the Swedish government has been forced to intervene in a big way in the nation's shipbuilding industry, which has prided itself for buccannery independence in this ostensibly socialist country. Shipbuilding accounts for nearly 8 per cent of Swedish exports.

The intervention could also mark the beginning of the end of Swedish pre-eminence in European shipbuilding. The government believes too many chips have been placed in an uncertain industry, and plans to scale down

production volume over the next few years.

To ease the transition it has extended guarantees to the industry of 12.5 billion kroner until the end of 1978 to include financing of ship construction through "stockpiling." The labor force at major yards will be cut by 30 per cent by 1978.

"I think it would be a good thing if we reduced our national dependence on shipbuilding exports from 8 to about 5 per cent," said Hans Laurin, president of Goetaverken. "We have been too big for this country in an industry which involves high financial risks."

Mr. Laurin suggested Sweden simply could not match Korea, which is quoting prices about 30 per cent lower, and noted that the Japanese shipbuilders have the advantage of cheap steel.

Sweden is the first major shipbuilding nation to deliberately adopt a long-term plan to lower its profile, and Mr. Laurin thought others would be forced to follow suit sooner or later.

In the future he believes the Swedish industry would concentrate upon medium-size bulk and combination vessels as well as product carriers of no more than 100,000 tons.

"Gothenburg will basically concentrate on tankers and bulk carriers," Mr. Laurin predicted. He might have added that

Sweden plans to become a major ship repair center with inauguration two weeks ago of the new Goetaverken city yard in Gothenburg. His company has invested 350 million kroner in constructing northern Europe's best equipped repair facility.

Last year more than 22,000 ships visited Gothenburg, and it is hoped a goodly number will pull in at the city yard. It has the world's largest floating dock enabling a 300,000 tonner to dock in about three hours.

Tanker Glut

The tanker glut has hit the Swedish shipbuilding industry even harder. Last month giant Sovent Shipping Group announced here it planned to transfer to foreign flags or sell about 16 of its 65 vessels.

Managing director Ingemar Blomqvist attributed the decision to competition from Soviet cargo ships, high Swedish wage levels and new United Nations apportioning 80 per cent of international cargoes to vessels of buyer and seller nations.

The group has predicted a 1976 loss of about 100 million kroner. Last year Sovent lost 102.3 million kroner and was forced to sell 13 ships to offset losses, including the celebrated passenger liner Kingstholm and Gripsholm.

Industrial Design: Social Science and Art

STOCKHOLM (UPI)—Extremes are not a Swedish characteristic in the field of industrial design no one could accuse Sweden of being flamboyant.

Industrial design in this technocratic nation is a social scientist as an forever are the days when per could sit in his ivory-tower room by himself and with a new office chair, thinking fountain or faucet that satisfied the customer's own need for expression. Nowadays the equipment must be at the needs of those who use it. If these run to the aesthetic qualities product, too bad.

this priority that has in criticism from some that Swedish industrial tends to be uniform and rigid. A decade ago that was

often the case. Industrial designers like to argue that the architects were largely to blame.

They point to the late '50s, when Sweden, faced with an acute housing shortage, embarked on a crash housing program and opted for standard designs dictated by engineers and hard economic realities rather than by human needs. The new, instant Sweden that emerged was a concrete-gray jungle of look-alike towns and cities that still numb the senses today.

The modern Swedish designer is expected to play a vital role in helping solve such fundamental problems as improving the work environment and creating city environments that are appealing rather than alienating. Thus, he must go hand in hand with the businessman, the engineer, the technician and workers' representatives.

The traditional furniture, glass and textile designs that won Sweden worldwide admiration are still to be found, but the

emphasis in the industrial design field has moved onto a higher plane.

Human Needs

"Good design is an exercise in catering for human needs," says Lennart Lindqvist, director of Svensk Form, the major Swedish design center. "Design is meant for ordinary people, and the modern designer must take into account practical, social and economic needs."

A good example of modern cooperation is Stockholm's impressive subway system, where an exciting subway system (human environment) has been carved out of basically drab and depressing surroundings. It is vividly decorated with colorful art work, sculptures and ceramics, and the stations have so much space and are so well ventilated that you might as well be in an art gallery. Some new stations stress the grotto features by leaving the blasted walls unpolished and tinted in discreet shades.

Growing absenteeism in in-

dustrial design has forced companies in this export-oriented nation to take a hard look at factory and office design. Automakers Volvo and Saab, for example, felt obliged to replace assembly lines in some plants with autonomous groups, enabling considerable rebuilding.

Humanized Hospital

Industrial designers also played a significant part in the construction of the colossal Rudolfs Hospital outside Stockholm, which will handle some 1,400 inpatients and 1,200 outpatients daily when completed around 1980. Its sheer size called for efforts to "humanize" the normally impersonal atmosphere of a hospital. So instead of the customary hospital white, the designers came up with 15 shades of five basic colors and five shades of gray. Furniture, textiles and even utensils were designed especially for the hospital, and many works of art have been commissioned at great expense.

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Healthy Auto Industry Looks to Grow

STOCKHOLM (UPI)—Sweden's two thriving automotive industries, which weathered the international recession relatively unscathed, are gearing for major expansion in the years ahead.

Volvo, with estimated 1976 sales of 320,000 automobiles, confidently expects production of nearly 500,000 at decade's end, while Saab counts on annual production growth of about 10 per cent as new markets open up in Canada and West Germany.

Both firms are among the few truly independent automotive industries in Europe—Independent of both government control and dominant capital interests. Their remarkable success stories to date have resulted from an almost uncanny ability to foresee future marketing trends.

Three years ago, for instance, Volvo purchased the Dutch car firm Daf in a bid to add a small vehicle to its line. This autumn the transformed Daf is being introduced as the Volvo 343, with a completely redesigned body of safety cage construction along with durability features which have long proved Volvo's prime selling point on competitive world markets.

Volvo 343

Volvo anticipates that the 343 being manufactured in the Netherlands eventually will be introduced in the United States, and counts on the turn car to more than compensate for the relative sales drop in its standard series. "The wave of the future belongs to smaller cars like the 343," a senior Volvo executive said.

During the first quarter of 1976 Volvo's increased sales in Europe compensated for a sharp decline in the United States, attributed to a consumer shift to larger and domestically produced vehicles. Preliminary West Europe sales figures showed rises of 20 per cent, with France, West Germany, Norway and Sweden proving the vanguard.

The sales picture was relatively the same at Saab, where preliminary statistics revealed sharp increases in Norway and Denmark along with most other European countries—offsetting a significant drop in the United States. During the first six months of this year American sales were only 4,380, compared with 6,547 in the corresponding period in 1975. The firm plans to sharpen its American marketing effort to counter heavy Detroit ad budgets.

In the distant future Saab is placing a certain focus upon development of its widely touted steam engine project, which some Swedish environmentalists charge is being deliberately stalled. It is known that Saab would need to invest an estimated 1.6 billion kronor if it chose to develop and place a steam-driven car into serial production by 1980.

"We have no present plans for such an investment," a Saab spokesman said.

Volvo is placing chips on the steering engine. To date it has made no significant investments in alternative engine technologies.

Saab still produces its traditional front-wheel-drive 96 series, first introduced in 1950. The car finds outlets mainly in Scandinavia and Britain but is

being slowly phased out of production as increased attention is paid to marketing of Italy's Autobianchi series.

Sweden is Europe's most motorized nation, with 3.1 persons per passenger car, and its automotive industry accounts for nearly 40 per cent of domestic registrations. (A prime reason for Saab's slow growth abroad has been heavy demand on home markets.)

Adding to the industry's basic domestic strength is the little known fact that Sweden is one of the world's most important truck and bus manufacturers. In addition to Saab's contribution as manufacturer of Volvo lighter jets—fitted with Volvo engines.

Volvo is No. 3 truck producer in Europe and Saab holds fifth place. Both firms are witnessing

rapidly expanding sales, notably in Eastern Europe by 1980 Volvo hopes to d

IVECO and challenge Mercedes, according to a spokesman for the nation's largest company. Scania's biggest undertaking in recent years has been to make a big way with plants, scope and South America as a cooperative arrangement with vehicle manufacturers several nations.

Next February Volvo opens a 100-million-dollar assembly in Visegrád, which is believed to be the most competitive on the U.S. coast. The engine, as well as gear and bodies, will continue manufactured in Sweden.

Paper Industry's New Problems

KARLSTAD (UPI)—Sweden's forest and paper industry, which accounts for nearly 15 per cent of the country's exports, has been hard hit by the international recession.

But economists believe that Sweden's vast forests will, in the long run, provide the key for continued Swedish prosperity as Western Europe climbs out of the economic doldrums.

Pulp production last year sank nearly 13 per cent, compared with the boom year of 1974, while mechanical pulp production declined by 33 per cent. Sweden is Europe's leading supplier of pulp.

The situation proved no better for paper last year, when production dropped by 18.7 per cent compared with the previous year. The sole exception was newsprint, where production rose by 5 per cent. This anomaly was explained by Mats Carlsson, president of the giant MoDo paper and pulp group, who said, "People still need newspapers to read the bad news."

The bad news for his industry resulted in considerable stockpiling along with a drop in consumption in the waste paper market. Latest available figures provided by the Swedish Pulp and Paper Association showed that total export value of pulp and paper and sawn timber last year was only 13 billion kronor, compared with 16 billion kronor in 1974.

That marketing conditions for pulp and paper started to improve during the first quarter of this year, a trend which accelerated in March when pulp deliveries increased by 14 per cent compared with the same month last year, and came to 335,000 tons. Exports of paper and board reached 300,000 tons in March, a 26 per cent increase. But compared with 1974, deliveries in March were about 10 per cent lower.

Pulp producers in Sweden have been running mills at reduced capacity during the first half of this year, but stocks of pulp at buyer mills have gradually decreased as Sweden approaches a balance between demand and production.

Since January, Swedish mills have paid prices in U.S. dollars and prices have remained unchanged. It is not believed the price freeze will continue as the world swings out of recession. Long-term forecasts, indeed, show that worldwide demand for paper and pulp products will prove to be beneficial for Sweden from now until the end of the decade—providing the country does not run out of wood.

Sweden has been astonished to learn that this California-size nation, with Western Europe's largest forests, lacks a timber crisis.

In the last 20 years, Swedish pulp mills almost tripled, sawmills, but forests did not triple. In 1975, Swedish mills

experienced a sort of wait when, for the first time, an equalled growth, and in the year of 1974, the timber is supposed to be the red. Recently, the Swedish company Bergström signed a contract with Poland for Sweden's first long-term timber import accord.

After discussions with Swedish government, the firm has decided to restrict its timber consumption until the 1973-1974 base level, ending that future mill expansion within Sweden must be upon further acquisition of materials abroad.

Wood supplies in North America and the Soviet Union currently being utilized by Swedish mills. Looking further, industry leaders are warning of a "timber crisis" in South America. There is great planning quick-growing trees in Sweden to satisfy demand.

Another response to the crisis is Sweden's widely known "whole tree" project, a search effort sponsored by the Royal College of Forestry. The idea behind the plan is to utilize all parts of the tree, including stumps, roots and branches, presently "burned" as a source of energy. About 10 million stumps of potential wood is thus abandoned.

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The Oland Bridge, Sweden.

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Irrigation project.

The Forum Hotel in Warsaw, Poland.

Hospital in Nuva, Oman.

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Assets	
Current assets:	
Cash in hand and bank balance	739,318
Receivables	1,596,133
Properties classed as current assets	1,490,707
	3,826,158
Fixed assets:	
Other receivables	251,562
Shares and participation certificates	251,960
Machinery and equipment	214,123
Properties classed as fixed assets	171,555
	889,200
Total	4,715,358

Liabilities and Equity Capital	
Current liabilities:	
Uncompleted contracts	1,151,038
Billings from commencement of contracts	5,575,691
Expenditures from commencement of contracts	4,789,745
	785,946
Long-term liabilities	1,747,293
Special appropriations	780,413
Share capital + reserves	187,620
Net profit for the year	63,048
Total	4,715,358

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Jeff Smith

Over-the-Counter Market

[illegible]

New York Bond Sales

[illegible]

Insurance Stocks

[illegible]

Chicago Options Table

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Greek Lobster Boat Is Seized Off U.S.


BOSTON, June 20 (AP).—The Coast Guard seized the Greek fishing ship *Atlantico* 270 miles east of Cape Cod yesterday on charges of taking lobsters from the U.S. continental shelf.

The 513-foot ship and its 44 crew members were escorted to Boston Harbor. A Soviet vessel seized in March for a similar violation of Federal law was fined a \$410,000 fine was paid until a American lobster was added in 1974 to a list of continental-shelf creatures protected under U.S. law.

Company Reports

Rapid American Corp.		
First Quarter	1976	1975
Revenue	518.70	\$70.21
Profits	2.60	4.3
Profits	*2.60	*4.2
— Indicates loss		
Sherwin Williams		
Third Quarter	1976	1975
Revenue	263.0	263.3
Profits	11.0	6.9
Per Share	2.00	1.2
Nine Months		
Revenue	853.4	802.6
Profits	8.9	12.7
Per Share	1.51	2.3

PEOPLE IN BUSINESS



Latin America Plan the Great Of Multination

CARACAS, Venezuela, Jan. 14 (NYT).—The Latin American Economic System, an organization made up of 25 nations Central and South America and the Caribbean, has announced plans for the eventual establishment of Latin-owned multinational companies.

Currency Rates

By reading across this table of Friday's closing inter-bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

	\$	£	DM	FF	L. St.	Chldr.	Grnd. chldr.	Swedish	Dan. Km.
Americans	5,770	488	106,765	57,000	32,099		6,000*	190,532	34,000
Brussels (c)	29,820	70,426	15,309,25	8,365,5	4,644,7*	14,494		15,352	5,478
London (c)	1,775,3				1,000,0	10,000		10,000	10,000
Milan (c)	663,78				1,518	1,518		70,40	4,115
Paris (c)	1,016,50	331,50	180,12		3,125	3,125		75,575	36,78
Stockholm	2,470	1,118	96,25	52,945	5,341*	11,315		21,043	7,266
Switz	2,470	1,118	96,25	52,945	5,341*	10,84		21,043	7,266

The following are dollar values only: Danish krona: 5,116; Swedish: 37,10; Israeli \$: 7,55; Peseta: 67,84; Schilling: 16,43; Sw. krona: 4,448; Yen: 236,013; English shilling: 10,15; Canadian: 9,975; Hong Kong: 34,940.

(c) Commercial firms.
 * Of 10,000. (R) Amounts paid to RSV
 (S) On 10,000. (U) On 10,000. (V) On 10,000.

26. Get a clue from the sound of his voice.

(An international call means business.

"Long Distance is the next best thing to being there."

John Budd
Monsanto has appointed John Budd as director in Europe for its commercial products division in Brussels. He has spent the past two years in the United States on special assignment.

Amex International and Chemical has named William Hill as vice-president. He was formerly with the engineering and management division.

Morgan Guaranty Trust has named Robert Lindsay as an executive vice-president and

of the personnel and services division starting Jan. 1. He succeeds Frederick Mosley, who is retiring. Mr. Lindsay currently heads the bank's offices in London and will be succeeded in this position by Robert Engel.

Austria Cuts Bank Rate
VIENNA, June 20 (AP).—The Austrian National Bank has cut the discount rate and the Lombard rate by 1 per cent to 4 and 4.5 per cent, respectively.

approved a general work
gram that sets priorities
SELA activities, and auth
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define and elaborate s
protects

The most important element is to study a plan for distribution of Guatemala, developed by castigates earlier year, and lay the groundwork for multinational that would produce high-protein food as means, build low-cost housing and provide the region with information on agricultural needs and production.

W. German Living Costs
WIESBADEN, West Ger. June 20 (Reuters).—The cost of living in West Germany rose 5 per cent in May compared with April.

with the same month last year—the lowest increase in four years—the Federal Office of Statistics here reported. The month's rise was the first since May and June, 1977. April that year the index is per cent over the pre-

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